

**ATTACHMENT A:**

**PREFONTAINE BUILDING SEVENTH AMENDMENT OF LEASE  
AND ASSIGNMENT AND ASSUMPTION OF LEASE**

SEVENTH AMENDMENT OF LEASE

THIS FIFTH AMENDMENT OF LEASE is made this 10<sup>th</sup> <sup>Supplemental</sup> day of August, 2013, by and between the E.M. Greenwood Trust ("Landlord and Lessor"), and King County, a Political Subdivision of the State of Washington and Municipal Corporation, ("Tenant and Lessee").

RECITALS OF FACT

- A. Landlord and Tenant have entered into a written Lease dated February 15, 1998, ("the Lease") and Amended the Lease on June 10, 1998, October 4 2004, October 13, 2004, October 2009, May 26, 2010, April 28, 2011 and Assigned to Tenant on July 1, 2013 whereby LESSOR leased to LESSEE and LESSEE leased from LESSOR the premises located in the County of King, State of Washington, more particularly described in the Lease.
- B. Tenant and Landlord desire to extend the Lease for three (3) years.

NOW, THEREFORE, incorporating the foregoing recitals of fact and for valuable consideration, the receipt and sufficiency of which hereby is acknowledged, LESSOR and LESSEE agree as follows:

1. **TENANT**

King County, Department of Public Defense, is the Tenant.

2. **PREMISES**

Tenant leases multiple suites consisting of approximately 30,654 rentable square feet on floors 1-5.

3. **TERM**

The Term of the Lease hereby is extended for three (3) years. The new termination date is December 31, 2016.

4. **BASE RENT & ESCALATIONS**

The Fully Serviced Base Rent Schedule shall be as follows:

Months 1-12 \$ 22.00/RSF/YR

Months 13-24 \$22.65/RSF/YR

Months 25-36 \$23.35/RSF/YR

These rates include all utilities, janitorial 5 days/week, electrical service, and common area maintenance.

5. **OPERATING EXPENSE**

The Base Year for Operating Expenses shall be 2013. Tenant shall be responsible to pay its pro-rata share of expenses above the base year.

6. **TENANT IMPROVEMENT ALLOWANCE**

Landlord shall provide the Tenant with turn-key Tenant Improvements which shall include new carpet in currently carpeted areas on Floors 2-5 and paint throughout Floors 2-5, in a style and color mutually agreeable by Landlord and Tenant.

7. **RIGHT TO SUBLEASE**

Tenant shall have the right to sublease the premises. Tenant shall not sublease the premises without obtaining the prior consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed.

8. **CANCELLATION POLICY**

Tenant's obligations to Landlord, if any, that extend beyond the current year are contingent upon approval of the Lease by the King County Council or appropriation by the King County Council of sufficient funds to pay such obligations. Should such approval or appropriation not occur, or if grant funding is cancelled or not renewed Tenant shall immediately so advise Landlord and this Lease and all obligations hereunder will terminate at the end of the calendar year in which such approval or appropriations fails to occur, except that Tenant shall reimburse Landlord the for unamortized Tenant Improvement costs, architectural fees and leasing commission/advisory fees on a straight line basis.

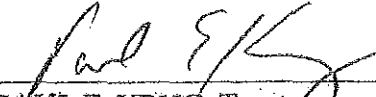
9. **SECURITY DEPOSIT**

None

Except as expressly amended herein, the remainder of the terms conditions rights and obligations as contained in the Lease shall remain in full force and effect.

**LESSOR:**

**E.M. GREENWOOD TRUST,**

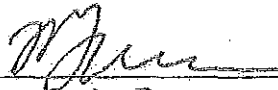
by   
PAUL E. KRUG, Trustee

**LESSEE:**

**KING COUNTY,**

  
Steve Salyer, Manager, Real Estate Services

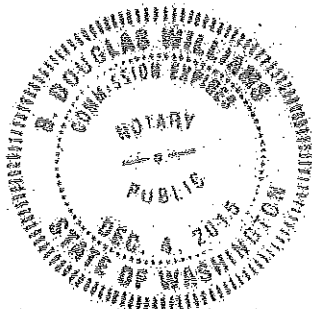
**APPROVED AS TO FORM:**

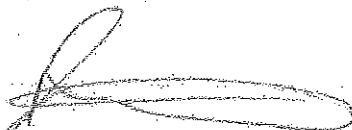
By:   
Tim Barnes, Senior Deputy  
Prosecuting Attorney

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

On this 10<sup>th</sup> day of September, 2013, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Paul E Krug, to me known to be the Trustee for the E.M. Greenwood Trust, a Washington trust, described in and who executed the foregoing instrument and acknowledged to me that she signed and sealed the said instrument as her free and voluntary act and deed for the uses and purposes therein mentioned and she was authorized to so act.

WITNESS my hand and official seal the day and year in this certificate above written.



  
NOTARY PUBLIC in and for the State of  
Washington, residing at Seattle.  
My commission expires: 12/9/2015

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

I certify that \_\_\_\_\_ signed this instrument, on oath stated that he was authorized by the King County Executive to execute the instrument, and acknowledged it as the \_\_\_\_\_ of King County, Washington to be the free and voluntary act of said County for the uses and purposes mentioned in the instrument.

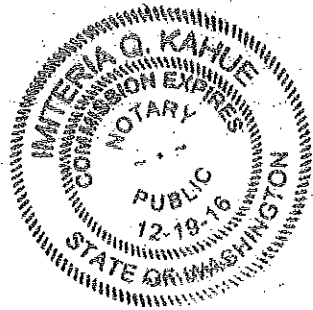
Date: \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington residing at \_\_\_\_\_. My  
appointment expires \_\_\_\_\_.

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

On this 10 day of September 2013, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Paul E. Krug, to me known to be the Trustee for the E.M. Greenwood Trust, a Washington trust, described in and who executed the foregoing instrument and acknowledged to me that she signed and sealed the said instrument as her free and voluntary act and deed for the uses and purposes therein mentioned and she was authorized to so act.

WITNESS my hand and official seal the day and year in this certificate above written.



[Signature]  
NOTARY PUBLIC in and for the State of  
Washington, residing at Reston, WA.  
My commission expires: 12-19-2016.

1984

## ASSIGNMENT AND ASSUMPTION OF LEASE

This Assignment and Assumption of the Lease (the "Assignment") is dated as of June \_\_\_\_, 2013 and effective as of July 1, 2013 (the "Effective Date"), and is between Associated Counsel for the Accused, a Washington non-profit corporation ("Assignor"), and King County, a municipal corporation ("Assignee").

Assignor is the tenant under a Lease Agreement made as of February 15, 1998, between the Assignor and the E.M. Greenwood Trust, a Washington Trust ("Landlord"). A true and complete copy of the Lease, including six amendments dated June 10, 1998, October 4, 2004, October 13, 2004, October 9, 2009, May 26, 2010 and April 28, 2011, is attached to this Assignment as Exhibit A and incorporated herein by this reference (the "Lease"). Capitalized terms not defined in this Assignment shall have the meaning given to them in the Lease.

This Assignment is made pursuant to Section 26 of the Lease. The Assignor has provided Landlord the Assignment Notice at least thirty (30) days prior to the date when Assignor desires the assignment to be effective, and the Landlord has provided its written consent thereto.

For valuable consideration, the receipt of which is acknowledged, Assignor and Assignee agree as follows:

1. Assignment and Delivery of Premises. Assignor assigns to Assignee all of Assignor's right, title and interest in the Lease, and all rents, issues, profits, rights and benefits from the Lease, with the exception of the security deposit which will be returned to the Assignor upon the expiration of the Lease Term December 31, 2013. Assignor will deliver possession of the Premises to Assignee on the Effective Date.

2. Assumption and Acceptance of Premises. Assignee assumes and agrees to perform each and every obligation of Assignor under the Lease beginning on the Effective Date. Assignee will accept the Premises in their condition as of the Effective Date. Assignor shall not be released from any duty, liability or obligation under the Lease by virtue of this Assignment, but Assignee shall have a duty to indemnify Assignor as set forth in Section 5, below. There shall be no change in the permitted use of the Premises as described in the Lease by virtue of this Assignment. Assignor and Assignee acknowledge and agree that there are no expansion, extension or renewal rights available to the Tenant under the Lease. The Lease term expires December 31, 2013. Assignor may not further assign or sublease its rights under the Lease without the prior written consent of Landlord.

3. Assignor's Representations and Warranties. Assignor represents and warrants to Assignee and to Landlord that: (a) the Lease is in full force and effect, and unmodified except as indicated on attached Exhibit A; (b) Assignor's interest in the Lease is free and clear of any liens, encumbrances or adverse interests of third parties; (c) Assignor has the full and lawful authority to assign its interest in the Lease; and (d) there is no default under the Lease or any circumstance by which lapse of time or giving a notice would constitute a default under the Lease. The warranties contained in this paragraph are true as of the Effective Date, and shall survive that date.

4. Security Deposit. Assignor has paid a security deposit to Landlord in the amount of \$39,248, which shall be returned to Assignor as set forth in Section 1, above. Assignee shall not be required to pay a security deposit.

5. Indemnification.

5.1 Definitions. The assertion that a party has suffered a Loss is hereinafter referred to as an "Indemnification Claim", the party seeking indemnification is hereinafter referred to as an "Indemnified Party", and the person from whom indemnification is sought is hereinafter referred to as an "Indemnifying Party".

5.2. Claims. The Assignee shall indemnify and hold harmless Assignor and its officers, directors, employees, agents and affiliates (collectively "Indemnitees") from and against any claims, liabilities, damages, deficiencies, costs and expenses, including reasonable attorney fees and expenses, and expenses of investigation and defense (hereinafter "Loss" or "Losses") which Assignor may suffer, sustain or become subject to by reason of or resulting from any breach by the Assignee of any covenant or agreement set forth in the Agreement.

5.3 Delivery of Notice of Claim. At any time after obtaining knowledge of any facts, claim or demand which has given rise to, or could reasonably give rise to, an Indemnification Claim under Section 5.2, Assignor may give written notice of such Indemnification Claim ("Notice of Claim") to the Indemnifying Party.

5.4 Form of Notice. The Notice of Claim shall set forth the amount of the Loss suffered, or which may be suffered, by Assignor.

5.5 Procedure. In the event of a Claim, the Assignee shall have the right, but not the obligation, exercisable by written notice to Assignor within ten (10) days of the date of the Notice of Claim concerning the commencement or assertion of a Claim, to participate in such Claim. Assignor shall not settle such Claim without the prior written consent of the Assignee, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Assignor shall have the right to pay or settle any Claim at any time, provided that in such event it waives any right to indemnification therefor by the Assignee. Within ten (10) days of the date a court of competent jurisdiction or arbitrator shall determine that the Assignee is liable for all or a portion of the monetary liability arising out of the Claim or a settlement is reached, the Assignee shall pay such claim as if such claim had been accepted in accordance with the other provisions hereof unless an appeal is made in accordance with the next sentence. If the Assignee desires to appeal from an adverse judgment, then the Assignee shall post and pay the cost of the security or bond required to stay execution of the judgment pending appeal. Upon the payment in full by the Assignee of such amounts, the Assignee shall succeed to the rights of the Assignor, to the extent not waived in settlement, against the party who made such a Claim. The Assignee and Assignor shall cooperate in the defense or prosecution of any Claim and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be requested in connection therewith.

6. Attorneys' Fees. If any party to this Assignment brings a legal proceeding to enforce or obtain a declaration of rights under this Assignment, the prevailing party in the proceeding shall be entitled to recover from the other party all costs, expenses and reasonable attorneys' fees incurred by the prevailing party in the proceeding.

7. Notices. Assignee's address for receipt of notices as Tenant under the Lease, following the Effective Date, shall be as follows:

King County  
Real Estate Services  
500 4<sup>th</sup> Ave., Room 830  
Seattle, WA 98104

Attn: Bob Thompson  
206.296.7494  
bob.thompson@kingcounty.gov

8. Miscellaneous. This Assignment may be signed in one or more counterparts and by facsimile copy or electronic mail copy, and each counterpart, facsimile copy and electronic mail copy shall be deemed an original hereof.

9. Headings. The descriptive headings in this Agreement have been inserted for convenience only and shall not be deemed to limit or otherwise affect the construction of any provision hereof.

10. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto, and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

*[remainder of page left blank intentionally]*

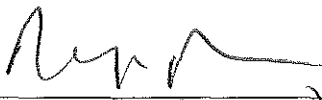


[signature page]

IN WITNESS WHEREOF, the parties have caused this Assignment to be signed by their respective officers thereunto duly authorized, as of the date first written above.


**ASSIGNOR**

Associated Counsel for the Accused, a Washington non-profit corporation

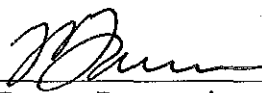
By   
Its MANAGING DIRECTOR

**ASSIGNEE**

KING COUNTY, a municipal corporation

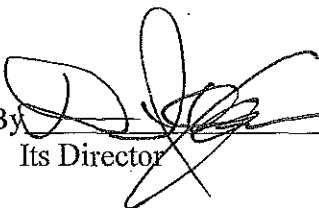
By   
Its Manager, DES, FMD, RES

**ASSIGNEE Approved as to Form**

By   
Its Senior Deputy Prosecuting Attorney

**ASSIGNEE**

Department of Public Defense

By   
Its Director

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this 28<sup>th</sup> day of June, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Don Mackley, known to me to be the \_\_\_\_\_ of Associated Counsel for the Accused (Assignor), the non-profit corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said non-profit corporation, for the purposes therein mentioned, and on oath stated that he ~~she~~ was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.



Mark R. Phillips

Signature

Mark R. Phillips

Print Name

NOTARY PUBLIC in and for the State of Washington, residing at Bellevue

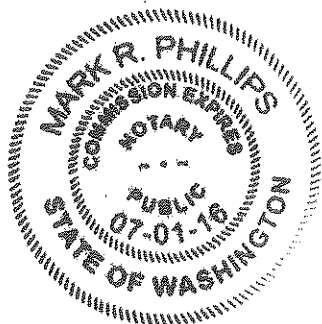
My commission expires 7/1/16

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this 22<sup>nd</sup> day of July, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Stephen Salger, known to me to be the Manager - R.E.S. of KING COUNTY, the municipal corporation and political subdivision of the State of Washington that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.



Mark R. Phillips

Signature

Mark R. Phillips

Print Name

NOTARY PUBLIC in and for the State of Washington, residing at Bethel

My commission expires 7/1/16

**ACKNOWLEDGMENT OF LANDLORD**

The undersigned acknowledges the foregoing Assignment. This Acknowledgment shall not be deemed consent to any subsequent assignment, sublease or other transfer of any interest in the Premises. Any subsequent assignment, sublease or other transfer will require the consent of Landlord.

**LANDLORD**

The E.M. Greenwood Trust, a Washington Trust

By \_\_\_\_\_  
Its \_\_\_\_\_

**EXHIBIT A**

# THE PREFONTAINE BUILDING

STANDARD FORM OFFICE LEASE

BETWEEN

E.M. GREENWOOD TRUST, a Washington Trust

Landlord

and

ASSOCIATED COUNSEL FOR THE ACCUSED,

a Washington non profit corporation.

**TABLE OF CONTENTS**

1. Terms and Definitions.....	4
2. Premises and Common Areas Leased.....	5
3. Term.....	5
4. Possession.....	5
5. Annual Basic Rent.....	5
6. Rental Adjustment.....	6
7. Security Deposit.....	7
8. Use.....	7
9. Payment and Notices.....	7
10. Brokers.....	8
11. Holding Over.....	8
12. Taxes on Tenant's Property.....	8
13. Condition of Premises.....	8
14. Alterations.....	8
15. Repairs.....	9
16. Liens.....	9
17. Entry by Landlord.....	9
18. Utilities and Services.....	10
19. Bankruptcy.....	10
20. Indemnification.....	10
21. Damage to Tenant's Property.....	10
22. Tenant's Insurance.....	10
23. Damage or Destruction.....	11
24. Eminent Domain.....	12
25. Defaults and Remedies.....	12
26. Assignment and Subletting.....	13
27. Subordination.....	14
28. Estoppel Certificate.....	14
29. Building Planning - Deleted.....	14
30. Rules and Regulations.....	14
31. Governing Law.....	14
32. Successors and Assigns.....	15
33. Surrender of Premises.....	15
34. Attorney's Fees.....	15
35. Performance by Tenant.....	15

36. Mortgage Protection.....	15
37. Definition of Landlord.....	15
38. Waiver.....	15
39. Identification of Tenant.....	15
40. Terms and Headings.....	16
41. Examination of Lease.....	16
42. Time.....	16
43. Prior Agreement; Amendments.....	16
44. Separability.....	16
45. Recording.....	16
46. Limitation on Liability.....	16
47. Riders.....	16
48. Modification for Lender.....	16
49. Accord and Satisfaction.....	16



# THE PREFONTAINE BUILDING

## Standard Form Office Lease

This Lease is made as of the 15th day of February, 1998 by and between Landlord and Tenant, hereinafter designated.

**I. Terms and Definitions.** For the purpose of this Lease, the following Terms shall have the following definitions and meanings:

a. **Landlord:** E.M. Greenwood Trust, a Washington Trust, Barbara G. Wise, Trustee

b. **Landlord's Address:**

5030 Roosevelt Way NE Suite 300  
Seattle, WA 98105

**Landlord's Mailing Address:**

P.O. Box 95430  
Seattle, WA 98145-2430

c. **Tenant:** Associated Counsel for the Accused

d. **Tenant's Address:**

110 Prefontaine Place So. Suite 200  
Seattle, WA 98104

e. **Premises:** Those certain premises outlined on the floor plan attached hereto as Exhibit A and by this reference incorporated herein, consisting of approximately 24,888 rentable square feet, located on part of the second floor and all of the third and fourth floors of the Building, designated as Suite No. 200. The address of the Building is 110 Prefontaine Place So., Seattle, WA 98104.

f. **Term:** A period of 10 years, beginning on the Commencement Date and ending on December 31, 2008.

g. **Building Standard Work:** All the work to be done, or which has been done, at Landlord's expense in the Premises pursuant to the provisions of the Work Letter Agreement, described in Paragraph 2 below.

h. **Building Nonstandard Work:** All the work to be done, or which has been done, in the Premises by Landlord pursuant to the provisions of the Work Letter Agreement, other than Building Standard Work.

i. **Leasehold Improvements:** The aggregate of the Building Standard Work and the Building Nonstandard Work.

j. **Commencement Date:** The earlier of the following dates:

- (i) January 1, 1999
- (ii)
- (iii)

k. **Annual Basic Rent:** See Addendum A.

l. **Direct Expenses Base:** 1999 actual expenses adjusted to ninety five percent (95%).

m. **Tenant's Percentage:** 58.91%.

n. **Security Deposit:** Equal to the first month's rent, \$33,599.00.

o. **Brokers:**

**Landlord's:** Seavest Realty Inc.

**Tenant's:** Alan J. Kuresman Inc.

Landlord's Initials

[Signature]

Tenant's Initials

[Signature]

**2. Premises and Common Areas Leased.**

a. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, the Premises contained within the suite designated in Subparagraph 1.e. The Premises are, or shall be, improved by Landlord with the Leasehold improvements described in the Work Letter Agreement, a copy of which is attached hereto and marked Exhibit "B" and Exhibit "B-1" and incorporated herein by this reference. It is agreed for the purpose of this Lease, that the Premises have an area of approximately the number of square feet designated in Subparagraph 1.e., situated on the floor(s) designated in Subparagraph 1.e., of that certain office building located at the address designated in Subparagraph 1.e. (hereinafter called the "Building"). The Premises exclude the common stairways, stairwells, accessways and pipes, conduits, wires and appurtenant fixtures serving exclusively or in common other parts of the Building.

The parties hereto agree that said letting and hiring is upon and subject to the terms, covenants and conditions herein set forth and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance.

b. Tenant shall have the nonexclusive right to use, in common with other tenants in the Building and subject to the Rules and Regulations referred to in Paragraph 30 below, the following areas appurtenant to the Premises:

(i) The common entrances, lobbies, rest rooms, stairways and accessways, loading docks, ramps, drives and platforms and any passageways and serviceways thereto, and the common pipes, conduits, wires and appurtenant equipment serving the Premises, which Landlord shall exercise reasonable diligence to timely maintain and repair;

(ii) Common walkways and sidewalks necessary for access to the Building maintained by Landlord.

c. Landlord reserves the right from time to time without unreasonable interference with Tenant's use:

(i) To install, use, maintain, repair and replace pipes, ducts, conduits, wires and appurtenant meters and equipment included in the Premises which are located in the Premises or located elsewhere outside the Premises, and to expand the Building.

(ii) To alter or relocate any other common facility.

**3. Term.** The Term of this Lease shall be for the period designated in Subparagraph 1.f., commencing on the Commencement Date and ending on the expiration of such period, unless the Term hereby demised shall be sooner terminated as hereinafter provided. Upon commencement of the Term, this Lease shall be amended to set forth the actual date of commencement and expiration of the Term.

**4. Possession.** Tenant agrees that in the event of the inability of Landlord to deliver possession of the Premises to Tenant on the date above specified for the commencement of the Term of this Lease, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, (but the expiration date of the above Term shall be extended by the number of days of such delay) but in such event Tenant shall not be liable for any rent until such time as Landlord tenders delivery of possession of the Premises to Tenant with Landlord's work therein, if any, substantially completed. Should Landlord tender possession of the Premises to Tenant prior to the date specified for commencement of the Term hereof, and Tenant elects to accept such prior tender, such prior occupancy shall be subject to all the terms, covenants and conditions of this Lease, including the payment of rent.

**5. Annual Basic Rent.**

a. Tenant agrees to pay Landlord as Annual Basic Rent for the Premises the Annual Basic Rent designated in Subparagraph 1.k. and paragraph 1 of Addendum A (subject to adjustment as hereinafter provided) in twelve (12) equal monthly installments, each in advance on the first day of each and every calendar month during the Term, except that the first month's Rent shall be paid upon execution hereof. In the event the Term of this Lease commences or ends on a day other than the first or last day of a calendar month, then the Rent for such period shall be prorated in the proportion that the number of days this Lease is in effect during such periods bears to thirty (30), and such Rent shall be paid at the commencement of such period. In addition to the Annual Basic Rent, Tenant agrees to pay the amount of the Rental Adjustments as and when hereinafter provided in this Lease. Said rental shall be paid to Landlord, without any prior demand therefor and without any deduction or offset whatsoever in lawful money of the United States of America, which shall be legal tender at the time of payment, at the address of Landlord designated in Subparagraph 1.b. or to such other person or at such other place as Landlord may from time to time designate in writing. Tenant agrees to pay as Additional Rent to Landlord, upon demand, Tenant's percentage of any parking charges, utility surcharges, or any other costs levied, assessed or imposed by, or at the direction of, or resulting from statutes or regulations, or interpretations hereof, promulgated by any federal, state, regional, municipal or local governmental authority in connection with the use or occupancy of the Building or the Premises or the parking facilities serving the Building or the Premises. Further, all charges to be paid by Tenant hereunder, including, without limitation, payments for real property taxes, insurance and repairs, shall be considered Additional Rent for the purposes of this Lease, and the word "Rent" in this Lease shall include such Additional Rent unless the context specifically or clearly implies that only the Annual Basic Rent is referenced.

**b. Deleted.**

**c. Late Charges.** In the event Tenant fails to pay any installment of Rent when due or in the event Tenant fails to make any other payment to be made under this Lease when due, then Tenant shall pay to Landlord a late charge equal to ten percent (10%) of the amount due to compensate Landlord for the extra cost incurred as a result of such late payment.

**6. Rental Adjustment.**

a. For the purpose of this Subparagraph 6.a. the following Terms are defined:

(i) **Lease Year:** Each calendar year of the Term of this Lease.

(ii) **Tenant's Percentage:** That portion of the building occupied by Tenant divided by the total square footage of the Building available for occupancy, which result is set forth as a percentage in Subparagraph 1.m.

(iii) **Direct Expense Base:** The amount of the annual Direct Expenses which Landlord has included in the Annual Basic Rent and which amount is set forth in Subparagraph 1.1.

(iv) **Direct Expenses:** The Term "Direct Expenses" shall include:

(a) Property tax costs consisting of real and personal property taxes and assessments upon the Building and the land upon which it is located or assessments levied in lieu thereof imposed by any governmental authority or agency, and non-progressive tax on or measured by gross rental received from the rental of space in the Building; any parking charges, utilities surcharges, or any other costs levied, assessed or imposed by, or at the direction of, or resulting from statutes or regulations, interpretations thereof, promulgated by any federal, state, regional, municipal or local government authority in connection with the use or occupancy of the Premises or the parking facilities serving the Premises; any tax on this transaction or any document to which Tenant is a party creating or transferring an interest in the Premises, and any expenses, including cost of attorneys or expert reasonably incurred by Landlord in seeking reduction by the taxing authority of the above-referenced taxes, less tax refunds obtained as a result of an application for review thereof; but shall not include any net income, franchise, capital stock, estate or inheritance taxes.

(b) Operating costs consisting of costs incurred by Landlord in maintaining and operating the Building and the land upon which it is located, exclusive of costs required to be capitalized for federal income tax purposes, and including (without limiting the generality of the foregoing) the following: cost of utilities, supplies and insurance, cost of services of independent contractors, managers and other suppliers, the fair rental value of the Building office, cost of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with the management, operation maintenance, and repair of the Building, its equipment, parking facilities and the Common Areas, including, without limitation, engineers, janitors, foremen, floor waxers, window washers, watchmen and gardeners, but excluding persons performing services not uniformly available to or performed for substantially all Building tenants.

(c) Amortization of such capital improvements as Landlord may have constructed: (1) for the purpose of reducing operating costs and (2) to comply with governmental rules and regulations promulgated after completion of the Building.

b. If Tenant's Percentage of the Direct Expenses paid or incurred by Landlord for any Lease Year exceeds Tenant's percentage of the Direct Expense Base, then Tenant shall pay such increase as additional rent. As soon as possible each year Landlord shall give to Tenant an unaudited written statement of the increase in rent payable by Tenant hereunder which shall be due and payable upon receipt. In addition, for each year after the First Lease Year, Tenant shall pay its percentage of Landlord's estimate of the amount by which Direct Expenses for that year shall exceed the Direct Expense Base. Landlord shall provide said estimate no later than the September 15th preceding each such calendar year. This amount shall be divided into twelve (12) equal monthly installments. Tenant shall pay to Landlord concurrently with the regular monthly rent payments next due following the receipt of such statement, an amount equal to one (1) monthly installment multiplied by the number of months from January in the calendar year in which said statement is submitted to the month of such payment, both months inclusive. Subsequent installments shall be payable concurrently with the regular monthly rent payments for the balance of that calendar year and shall continue until the next calendar year's statement is rendered. If in any calendar year Tenant's Percentage of actual Direct Expenses is less than the estimate for that year, then upon receipt of Landlord's statement, any overpayment made by Tenant on the monthly installment basis provided above shall be credited towards the next monthly rent falling due and the estimated monthly installments of Tenant's Percentage of Direct Expenses to be paid shall be adjusted to reflect such lower Direct Expenses for the most recent Lease Year.

In no event shall the amount of direct expenses due and payable from Tenant exceed an amount capped at a rate of a five percent (5%) annual increase, calculated cumulatively. For example, if the 1998 Direct Expense Base equals \$5.50 per rentable square foot, and the same shall increase to \$5.72 in 1999, to \$6.12 in 2000, to \$6.49 in 2001, and to \$6.55 in 2002, Tenant's liability therefore, per rentable square foot, shall be calculated and limited as follows:

	1998	1999	2000	2001	2002
1998 Direct Expense Base	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
Actual Direct Expense	5.50	5.72	6.12	6.49	6.55
Tentative Rent Adjustment -0-		.22	.62	.99	1.05
Cumulative Tentative Rent Adjustment	-0-	.22	.84	1.83	2.88
Annual Maximum Amount Due (based on 5% annual cumulative cap)	-0-	.275	.56375	.86694	1.1853
Cumulative Maximum Amount Due per Cap	-0-	.275	.83875	1.70569	2.89099
Net Rent Adjustment (Lower of Cumulative Tentative Rent Adjustment or Cumulative Maximum Amount Due per Cap less the sum of Net Rent Adjustments for all previous years).	-0-	.22	.61875	.86694	1.17431

Thus the maximum annual adjustment assuming the Direct Expense Base is \$5.50, is as follows:

Year	Maximum Cost Per Square Foot
2	\$ .275
3	.564
4	.867
5	1.185
6	1.520
7	1.871
8	2.239
9	2.626
10	3.032
<b>Total Maximum Cost Over Ten Year Period</b>	<b>\$14.179</b>

c. Even though the Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant Percentage of Direct Expenses for the year in which this Lease Terminates, Tenant shall immediately pay any increase due over the estimated expenses paid and conversely any overpayment made in the event said expenses decrease shall be immediately rebated by Landlord to Tenant.

**7. Security Deposit.** Tenant has deposited with Landlord the Security Deposit designated in Subparagraph 1.n. Said sum shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the Term hereof. If Tenant defaults with respect to any provision of this Lease, including but not limited by the provisions relating to the payment of Rent, Landlord may (but shall not be required to) use, apply or retain all or any part of this Security Deposit for the payment of any Rent or any other sum in default, or for the payment of any other such amount which Landlord may spend or become obligated to spend by reason of Tenant's default or to compensate Landlord for any loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within ten (10) days after demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount. Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on such Security Deposit. Should Landlord sell its interests in the Premises during the Term hereof and if Landlord deposits with the purchaser thereof the then unappropriated funds deposited by Tenant as aforesaid, thereupon Landlord shall be discharged from any further liability with respect to the Security Deposit.

**8. Use.** Tenant shall use the Premises for general business office purposes and uses incidental thereto, and shall not use the Premises, or permit or suffer the Premises to be used for any other purpose without the written consent of Landlord. Tenant shall not use or occupy the Premises in violation of law or of the certificate of occupancy issued for the Building, or any master lease underlying the Premises which Tenant has been notified, and shall, upon five (5) days written notice from Landlord, discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be in violation of any such law or of said certificate of occupancy or ground lease. Tenant shall comply with any direction of any governmental authority having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or with respect to the use or occupation thereof. Tenant shall not do or permit to be done anything which will invalidate, restrict or increase the cost of any fire, "All-Risk", extended coverage or other insurance policy covering the Building and/or property located therein, and shall comply with all rules, orders, regulations and requirements of the Insurance Service Offices, formerly known as the Pacific Fire

Rating Bureau, or any other organization performing a similar function. Tenant shall, promptly, upon demand, reimburse Landlord for any additional premium charged to Landlord for such policy by reason of Tenant's failure to comply with the provisions of this Paragraph 8, and upon such payment, shall not be in breach of the preceding sentence. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful or objectional purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in, on or about the Premises.

**9. Payment and Notices.** All Rent and other sums payable by Tenant to Landlord hereunder shall be paid to Landlord at the address designated by Landlord in Subparagraph 1.b. or at such other places as Landlord may hereafter designate in writing. Any notice required or permitted to be given hereunder must be in writing and may be given by personal delivery or by mail, and if given by mail shall be deemed sufficiently given if sent by registered or certified mail, return receipt requested, postage prepaid, addressed to Tenant at the Building of which the Premises are a part; or to Landlord at its address designated in Subparagraph 1.b. Either party may, by written notice to the other, specify a different address for notice purposes except that Landlord may in any event use the Premises as Tenant's address for notice purposes. If more than one tenant is named under this Lease, service of any notice upon any one of said tenants shall be deemed as service upon all said tenants.

**10. Brokers.** The parties recognize that the brokers who negotiated this Lease are the brokers whose names are stated in Subparagraph 1.p., and agree that Landlord shall be solely responsible for the payment of brokerage commissions to said brokers, and that Tenant shall have no responsibility therefor. If Tenant has dealt with any other person or real estate broker with respect to leasing or renting space in the Building, Tenant shall be solely responsible for the payment of any fee due said person or firm and Tenant shall hold Landlord free and harmless against any liability in respect thereto, including attorney's fees and costs.

**11. Holding Over.** If Tenant holds over after the expiration or earlier Termination or the Term hereof without the express written consent of Landlord, Tenant shall become a Tenant at sufferance only, at a rental rate equal to one hundred twenty-five percent (125%) of the Rent in effect upon the date of such expiration, and otherwise subject to the terms, covenants and conditions herein specified so far as applicable. Acceptance by Landlord of Rent after such expiration or earlier termination shall not constitute a holdover hereunder or result in a renewal. The foregoing provisions of this Paragraph 11 are in addition to and do not affect Landlord's right of re-entry or any rights of Landlord hereunder or as otherwise provided by law. If Tenant fails to surrender the Premises upon the expiration of this Lease despite demand to do so by Landlord, Tenant shall indemnify and hold Landlord harmless from all loss or liability, including without limitation, any claim made by any succeeding tenant founded on or resulting from such failure to surrender and any attorneys' fees and costs.

**12. Taxes on Tenant's Property.**

a. Tenant shall be liable for and shall pay at least ten (10) days before delinquency, taxes levied against any personal property or trade fixtures placed by Tenant in or about the Premises. If any such taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property or if the assessed value of the Premises is increased by the inclusion therein of a value placed upon such personal property or trade fixtures of Tenant, then Landlord, after written notice to Tenant, shall have the right to pay the taxes based upon such increased assessments, regardless of the validity thereof, but only under proper protest if requested by Tenant in writing. If Landlord shall do so, then Tenant shall, upon demand, repay to Landlord the taxes levied against Landlord, or the proportion of such taxes resulting from such increase in the assessment.

b. If the Leasehold Improvements in the Premises, if requested or consented to in writing by Tenant, and paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which Leasehold Improvements conforming to Landlord's "Building Standard" in other space in the Building are assessed, then the real property taxes and assessments levied against Landlord or the property by reason of such excess assessed valuation shall be deemed to be real property taxes and assessments levied against personal property of Tenant and shall be governed by the provisions of Subparagraph 12.a. If the records of the County Assessors are available and sufficiently detailed to serve as a basis for determining whether said Leasehold improvements are assessed at a higher valuation than Landlord's "Building Standard", such records shall be binding on both Landlord and Tenant. If the records of the County Assessor are not available or sufficiently detailed to serve as a basis for making said determination, the actual costs of construction shall be used.

**13. Condition of Premises.** Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or the Building or with respect to the suitability of either for the conduct of Tenant's business. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Building were at such time in satisfactory condition.

**14. Alterations.**

a. Tenant shall make no alterations, decorations, additions or improvements in or to the Premises without Landlord's prior written consent, and then only by contractors or mechanics first approved by Landlord in writing. Tenant agrees that there shall be no construction of partitions or other obstructions which might interfere with Landlord's free access to mechanical installations or service facilities of the Building or interfere with the moving of Landlord's equipment to or from the enclosures containing said installations or facilities. All such work shall be done at such times and in such manner as Landlord may from time to time designate. Tenant covenants and

agrees that all work done by Tenant shall be performed in full compliance with all laws, rules, orders, ordinances, directions, regulations and requirements of all governmental agencies, offices, departments, bureaus and boards having jurisdiction. Before commencing any work, Tenant shall give Landlord at least five (5) days written notice of the proposed commencement of such work, and shall, if required by Landlord, secure at Tenant's own cost and expense, a completion and lien indemnity bond, satisfactory to Landlord, for said work. Tenant further covenants and agrees that any mechanic's liens filed against the Premises or against the Building for work claimed to have been done, or materials claimed to have been furnished to Tenant, will be discharged by Tenant, by bond or otherwise, within ten (10) days after the filing thereof, at the cost and expense of Tenant. All alterations, if requested or consented to in decorations, additions or improvements upon the Premises, made by either party, writing by Tenant, including (without limiting the generality of the foregoing) all wall covering, built-in cabinet work, paneling and the like, shall, unless Landlord elects otherwise, become the property of Landlord, and shall remain upon, and be surrendered with the Premises, as a part thereof, at the end of the Term hereof. However, Landlord may, by written notice to Tenant, given at least thirty (30) days prior to the end of the Term, require Tenant to remove all partitions, counters, railings, and the like, installed by Tenant, and Tenant shall repair any damage to the Premises arising from such removal or, at Landlord's option, shall pay to Landlord all of Landlord's costs of such removal and repair. Such removal by Tenant of any such improvements shall not interfere, in any way, with any other tenant's quiet enjoyment of the Building.

b. All articles of personal property and all business and trade fixtures, machinery and equipment, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of Tenant and may be removed by Tenant at any time during the Term, provided Tenant is not in default hereunder, and provided further that Tenant shall repair any damage caused by such removal. If Tenant shall fail to remove all of its effects from the Premises upon termination of this Lease for any cause whatsoever, Landlord may, at its option, remove the same in any manner that Landlord shall choose, and store said effects without liability to Tenant for loss thereof. Tenant agrees to pay Landlord upon demand any and all expenses incurred in such removal, including court costs and attorney's fees and storage charges on such effects for any length of time that the same shall be in Landlord's possession. Landlord may, at its option and without notice, sell said effects, or any of the same, at private sale and without legal process, for such price as Landlord may obtain and apply the proceeds of such sale upon (i) any amounts due under this Lease from Tenant to Landlord and (ii) the expenses incident to the removal and sale of said effects.

c. Landlord reserves the right at any time and from time to time without the same constituting an actual or constructive eviction and without incurring any liability to Tenant therefor or otherwise affecting Tenant's obligations under this Lease, to make such changes, alterations, additions, improvements, repairs or replacements in or to the Building (including the Premises, if required so to do by any law or regulation) and the fixtures and equipment thereof, as well as in or to the street entrances, halls, passages and stairways thereof, and to change the name by which the Building is commonly known, as Landlord may deem necessary or desirable. Nothing contained in this Subparagraph 14.c. shall be deemed to relieve Tenant of any duty, obligation or liability of Tenant with respect to making any repair, replacement or improvement or complying with any law, order or requirement of any government or other authority. Nothing contained in this Subparagraph 14.c. shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever, for the care, supervision or repair of the Building or any part other than as expressly provided in this Lease.

#### 15. Repairs.

a. By entry hereunder, Tenant accepts the Premises as being in good and sanitary order, condition and repair. Tenant shall keep, maintain and preserve the Premises in first class condition and repair, and shall, when and if needed or whenever requested by Landlord to do so, at Tenant's sole cost and expense, make all repairs to the Premises and every part thereof, including all interior windows and doors. Tenant shall, upon the expiration or sooner termination of the Term hereof, surrender the Premises to Landlord in the same condition as when received, except for normal wear and tear or any alterations that have been approved by Landlord except as designated in advance in writing at the time of Landlord's approval. Landlord shall have no obligation to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof except as specifically provided in Exhibits "B" and "B-1". The parties hereto affirm that Landlord has made no representations to Tenant respecting the condition of the Premises or the Building except as specifically set forth.

b. Anything contained in Subparagraph 15.a. above to the contrary notwithstanding, Landlord shall repair and maintain the structural portions of the Building, including the basic plumbing, heating, ventilating, air conditioning and electrical systems installed or furnished by Landlord, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault of or omission of any duty by Tenant, its agents, servants, employees or invitees, in which case Tenant shall pay to Landlord, as additional rent, the reasonable cost of such maintenance and repairs. Landlord shall not be liable for any failure to make any such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time following an emergency threatening Tenant's personnel or business related personal property or after written notice of the need of such repair or maintenance is given to Landlord by Tenant. Except as provided in Paragraph 23 hereof, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Building or the Premises or to fixtures, appurtenances and equipment therein. Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

16. Liens. Tenant shall not permit any mechanic's, materialmen's or other liens to be filed against the real property of which the Premises form a part nor against Tenant's leasehold interest in the Premises. If any such liens are filed, Landlord may, without waiving its rights and remedies based on such breach of Tenant, and

without releasing Tenant from any of its obligations, cause such liens to be released by any means it shall deem proper, including payments in satisfaction of the claim giving rise to such lien. Tenant shall pay to Landlord at once, upon notice by Landlord, any sum paid by Landlord to remove such liens, together with interest at the maximum rate per annum permitted by law from the date of such payment by Landlord.

**17. Entry by Landlord.** Landlord reserves and shall at any and all times have the right to enter the Premises to inspect the same, to supply janitor service and any other service to be provided by Landlord to Tenant hereunder, to submit said Premises to prospective purchasers or tenants, to alter, improve or repair the Premises or any other portion of the Building, all without being deemed guilty of any eviction of Tenant and without abatement of Rent, and may, in order to carry out such purposes, erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, provided that the business of Tenant shall be interfered with as little as is reasonably practicable. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss in, upon and about the Premises, and any other loss occasioned thereby. For each of the aforesaid purposes, Landlord shall at all times, have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults and safes. Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof, and any damages caused on account thereof shall be paid by Tenant. It is understood and agreed that no provision of this Lease shall be construed as obligating Landlord to perform any repairs, alterations or decorations except as otherwise expressly agreed herein to be performed by Landlord.

**18. Utilities and Services.** Provided that Tenant is not in default of this Lease, Landlord agrees to furnish or cause to be furnished to the Premises the utilities and services described in the Standards for Utilities and Services, attached hereto as Exhibit "D", subject to the conditions and in accordance with the standards set forth therein. Landlord shall not be liable for, Tenant shall not be entitled to any abatement or reduction of rent by reason of, and no eviction of Tenant shall result from, and Tenant shall not be relieved from the performance of any covenant or agreement in this Lease because of, Landlord's failure to furnish any of the foregoing when such failure is caused by accident, breakage, repairs, strikes, lockouts or other labor disturbances or labor dispute of any character, governmental regulation, moratorium or other cause beyond Landlord's reasonable control. In the event of any failure, stoppage or interruption thereof, Landlord shall diligently attempt to promptly resume service.

**19. Bankruptcy.** If Tenant shall file a petition of bankruptcy under any Chapter of the Bankruptcy Act as then in effect, or if Tenant shall be adjudicated a bankrupt in involuntary bankruptcy proceedings and such adjudication shall not have been vacated within thirty (30) days from the date thereof, or if a receiver or trustee shall be appointed of Tenant's property, and the order appointing such receiver or trustee shall not be set aside or vacated within thirty (30) days after the entry thereof, or if Tenant shall assign Tenant's estate or effects for the benefit of creditors, or if this Lease shall by operation of law or otherwise devolve or pass to any person or persons other than Tenant, then in any such event Landlord may, if Landlord so elects, with or without notice of such election and with or without entry or action by Landlord, forthwith terminate this Lease. In such case, notwithstanding any other provisions of this Lease, Landlord, in addition to any and all rights and remedies allowed by law or equity, shall, upon such termination, be entitled to recover damages in the amount provided in Subparagraph 25.b. Neither Tenant nor any person claiming through or under Tenant or by virtue of any statute or order of any court shall be entitled to possession of the Premises, but shall forthwith quit and surrender the Premises to Landlord. Nothing herein contained shall limit or prejudice the right of Landlord to prove and obtain as damages by reason of any such termination an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of damages recoverable under the provisions of this Paragraph 19.

**20. Indemnification.** Tenant shall indemnify, defend and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Premises or the conduct of its business or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises. Tenant shall further indemnify, defend and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance or any obligation on Tenant's part to be performed under the Terms of this Lease, or arising from any act, neglect, fault or omission of Tenant or of its agents or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in or about such claim or any action or proceeding brought thereon. In case any action or proceeding shall be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel approved in writing by Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to person in, upon or about the Premises from any cause whatsoever, except that which is caused by the failure of Landlord to observe any of the terms and conditions of this Lease where such failure has persisted for an unreasonable period of time after written notice of such failure.

**21. Damage to Tenant's Property.** Notwithstanding the provisions of Paragraph 20 to the contrary, Landlord or its agents shall not be liable for any damage to property entrusted to employees of the Building, not for loss or damage to any property by theft or otherwise, not for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Building or from the pipes, appliances or plumbing work therein or from the roof, street or sub-surface or from any other place or resulting from dampness or any other cause whatsoever except to the extent that such damage or loss is attributable to Landlord's negligence or the breach of any of Landlord's obligations hereunder. Landlord or its agents shall not be liable for interference with light or other incorporeal hereditaments, nor shall Landlord be

liable for any latent defect in the Premises or in the Building. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Premises or in the Building or of defects therein or in the fixtures or equipment.

## 22. Tenant's Insurance.

a. Tenant shall, during the Term hereof and any other period of occupancy, at its sole cost and expense, obtain, maintain and keep in full force and effect the following insurance:

(i) Standard Form Property Insurance insuring against the perils of fire, extended coverage, vandalism, malicious mischief, special extended coverage ("All-Risk") and sprinkler leakage. This insurance policy shall be upon property of every description and kind owned by Tenant, for which Tenant is legally liable or that was installed at Tenant's expense, and which is located in the Building, including without limitation, furniture, fittings, installations, fixture (other than Building Standard Work), and any other personal property, in an amount not less than ninety percent (90%) of the full replacement cost thereof. In the event that there shall be a dispute as to the amount which comprises full replacement cost, the decision of Landlord or any mortgagees of Landlord shall be conclusive. This insurance policy shall also be upon direct or indirect loss of Tenant's earnings attributable to Tenant's inability to use fully or obtain access to the Premises or Building in an amount as will properly reimburse Tenant. Such policy shall name Landlord and any mortgagees of Landlord as Additional Insured as their respective interests may appear.

(ii) Comprehensive General Liability Insurance insuring Tenant against any liability arising out of the lease, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be in the amount of \$1,000,000 Combined Single Limit for injury to, or death of one or more persons in an occurrence, and for damage to tangible property (including loss of use) in an occurrence. The policy shall insure the hazards of premises and operations; independent contractors; contractual liability (covering the indemnity contained in Paragraph 20 hereof) and shall (a) name Landlord as an Additional Insured, (b) contain a Cross Liability provision, and (c) contain a provision that "the insurance provided the Landlord hereunder shall be primary and non-contributing with any other insurance available to the Landlord".

(iii) Workmen's Compensation and Employer's Liability Insurance (as required by state law).

(iv) Any other form or forms of insurance as Tenant or Landlord or any mortgagees of Landlord may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent tenant would protect itself.

b. All policies shall be written in a form satisfactory to Landlord and shall be taken out with insurance companies holding a General Policyholders Rating of "A" and a Financial Rating of "X" or better, as set forth in the most current issue of Bests Insurance Guide. Tenant shall deliver to Landlord Certificates of Insurance satisfactory to Landlord. No such policy shall be cancelable or reducible in coverage except after thirty (30) days prior written notice to Landlord. Tenant shall, within ten (10) days prior to the expiration of such policies, furnish Landlord with renewals or "binders" thereof, or Landlord may order such insurance and charge the cost thereof to Tenant as Additional Rent. If Landlord obtains any insurance that is the responsibility of Tenant under this Paragraph 22, Landlord shall deliver to Tenant a written statement setting forth the amount of any such insurance cost increase and showing in reasonable detail the manner in which it has been computed.

## 23. Damage or Destruction.

a. In the event the Building and/or Building Standard Work are damaged by fire or other perils covered by Landlord's extended coverage insurance Landlord shall:

(i) In the event of total destruction, at Landlord's option, within a period of ninety (90) days thereafter, commence repair, reconstruction and restoration of the Building and/or Building Standard Work and prosecute the same diligently to completion; in which event this Lease shall remain in full force and effect; or within said ninety (90) day period elect not to so repair, reconstruct or restore the Building and/or Building Standard Work in which event this Lease shall terminate. In the event Landlord elects not to restore the Building and/or Building Standard Improvements, this Lease shall be deemed to have terminated as of the date of such total destruction.

(ii) In the event of a partial destruction of the Building and/or Building Standard Improvements, to an extent not exceeding twenty-five percent (25%) of the full insurable value thereof and if the damage thereto is such that the building and/or the Building Standard Improvements may be repaired, reconstructed or restored within a period of ninety (90) days from the date of the happening of such casualty and Landlord will receive insurance proceeds sufficient to cover the cost of such repairs, Landlord shall commence and proceed diligently with the work of repair, reconstruction and restoration and this Lease shall continue in full force and effect. If such work or repair reconstruction and restoration is such as to require a period longer than ninety (90) days or exceeds twenty-five percent (25%) of the full insurable value thereof, or if said insurance proceeds will not be sufficient to cover the cost of such repairs, Landlord either may elect to so repair, reconstruct or restore and this Lease shall continue in full force and effect or Landlord may elect not to repair, reconstruct or restore and this Lease shall in such event terminate. Under any of the conditions of this Subparagraph 23. a. (ii), Landlord shall give written notice to Tenant of its intention within said ninety (90) day period. In the event Landlord elects not to restore said Building and/or Building Standard Improvements, this Lease shall be deemed to have terminated as of the date of such partial destruction.



b. Upon any termination of this Lease under any of the provisions of this Paragraph 23, the parties shall be released thereby without further obligation to the other from the date possession of the Premises is surrendered to Landlord except for items which have therefor accrued and are then unpaid.

c. In the event of repair, reconstruction and restoration by Landlord as herein provided, the Rent provided to be paid under this Lease shall be abated proportionately with the degree to which Tenant's use of the premises is impaired during the period of such repair, reconstruction or restoration. Tenant shall not be entitled to any compensation or damages for loss in the use of the whole or any part of the Premises and/or any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

d. Tenant shall not be released from any of its obligations under this Lease, except to the extent and upon the conditions expressly stated in this Paragraph 23. Notwithstanding anything to the contrary contained in this Paragraph 23, should Landlord be delayed or prevented from repairing or restoring the damaged Premises within one (1) year after the occurrence of such damage or destruction by reason of acts of God, war, governmental restrictions, inability to procure the necessary labor or materials, or other cause beyond the control of Landlord, Landlord shall be relieved of its obligation to make such repairs or restoration and Tenant shall be released from its obligations under this Lease as of the end of said one (1) year period.

e. In the event that damage is due to any cause other than fire or other peril covered by extended coverage insurance, Landlord may elect to terminate this Lease.

f. It is hereby understood that if Landlord is obligated to or elects to repair or restore as herein provided, Landlord shall be obligated to make repair or restoration only to those portions of the Building and the Premises which were originally provided at Landlord's expense, and the repair and restoration of items not provided at Landlord's expense shall be the obligation of Tenant.

g. Notwithstanding anything to the contrary contained in Paragraph 21, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Paragraph 23 is non structural and not necessary for the reasonable accommodation of Tenant and occurs during the last twelve (12) months of the Term of this Lease or any extension hereof. In the event Landlord exercises its rights hereunder, the lease shall terminate effective as of the date of the casualty.

**24. Eminent Domain.** In the case the whole of the Premises, or such part thereof as shall substantially interfere with Tenant's use and occupancy thereof, shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, either party shall have the right to terminate this Lease effective as of the date possession is required to be surrendered to said authority. Tenant shall not assert any claim against Landlord or the taking authority for any compensation because of such taking, and Landlord shall be entitled to receive the entire amount of the award without deduction for any estate or interest of Tenant, and Landlord, at its option, may terminate this Lease. If Landlord does not so elect, Landlord shall promptly proceed to restore the premises to substantially the same condition prior to such partial taking, and a proportionate allowance shall be made to Tenant of the Rent corresponding to the time during which, and to the part of the Premises of which, Tenant shall be so deprived on account of such taking and restoration. Nothing contained in this Paragraph 24 shall be deemed to give Landlord any interest in any award made to Tenant for the taking of personal property and fixtures belonging to Tenant.

#### **25. Defaults and Remedies.**

a. The occurrence of any one or more of the following events shall constitute a default hereunder by Tenant:

(i) The vacation or abandonment of the premises by Tenant. Abandonment is herein defined to include, but is not limited to, any absence from the Premises for five (5) business days or longer while in default of any provision of this Lease.

(ii) The failure by Tenant to make any payment of Rent or Additional Rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof from Landlord to Tenant.

(iii) The failure by Tenant to observe or perform any of the express or implied covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified in Subparagraph 25.a.(i) or (ii) above where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) day period and thereafter diligently prosecute such cure to completion, which completion shall occur not later than sixty (60) days from the date of such notice from Landlord.

(iv) The making by Tenant of any general assignment for the benefit of creditors.

(v) The filing by or against Tenant of a petition to have Tenant adjudged as bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days).

(vi) The appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days.

(vii) The attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease where such seizure is not discharged within thirty (30) days.

b. In the event of any such default by Tenant, in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder. In the event that Landlord shall elect to do so terminate this lease then Landlord may recover from Tenant:

(i) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus

(ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such Rent loss that Tenant proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that Tenant proves could be reasonably avoided; plus

(iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

As used in Subparagraphs 25.b(i) and (ii), the "worth at the time of award" is computed by allowing interest at the lesser of eighteen per cent (18%) per annum, compounded monthly, or the maximum rate permitted by law per annum. As used in subparagraph 25.b(iii), the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

c. In the event of any such default by Tenant, Landlord shall also have the right, with or without terminating this Lease, to re-enter the Premises and remove all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. No re-entry or taking possession of the Premises by Landlord pursuant to this Subparagraph 25.c shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court or competent jurisdiction.

d. All rights, options and remedies of Landlord contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease. No waiver of any default of Tenant hereunder shall be implied from any acceptance by Landlord of any Rent or other payment due hereunder or any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in said waiver. The consent or approval of Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to or of any subsequent similar acts by Tenant.

## 26. Assignment and Subletting.

a. Tenant shall not, either voluntarily or by operation of law, assign, sell, hypothecate or transfer this Lease, or sublet the Premises or any part thereof, or permit or suffer the Premises or any part thereof to be used or occupied as work space, storage space, mail drop, concession or otherwise, by anyone other than Tenant or Tenant's employees without the prior written consent of Landlord in each instance. In the event Tenant desires to assign, hypothecate or otherwise transfer this Lease or sublet the Premises, then at least thirty (30) days prior to the date when Tenant desires the assignment to sublease to be effective (the "Assignment Date"), Tenant shall give Landlord a notice (the "Assignment Notice"), which shall set forth the name, address and business of the proposed assignee or sublessee, information (including references) concerning the character, ownership, and financial condition of the proposed assignee or sublessee, the Assignment Date, any ownership or commercial relationship between Tenant and the proposed assignee or sublessee, and the consideration and all other material terms and conditions of the proposed assignment or sublease, all in such detail as Landlord shall reasonably require. If Landlord requests additional detail, the Assignment Notice shall not be deemed to have been received until Landlord receives such additional detail, and Landlord may withhold consent to any assignment or sublease until such information is provided to it. Any sale, assignment, hypothecation or transfer of this Lease or subletting of the Premises that is not in compliance with the provisions of this Subparagraph 26.a. shall be void and shall, at the option of Landlord, terminate this Lease. The consent by Landlord to any assignment or subletting shall not be construed as relieving Tenant or any assignee of this Lease or sublessee of the Premises from obtaining the express written consent of Landlord to any further assignment of subletting or as releasing Tenant or any assignee or sublessee of Tenant from any liability or obligation hereunder whether or not then accrued. In the event Landlord shall consent to an assignment or sublease, Tenant shall pay Landlord as Additional Rent a reasonable attorneys'

and administrative fee not to exceed \$500.00 for costs incurred in connection with evaluating the Assignment Notice. This Subparagraph 26.a. shall be fully applicable to all further sales, hypothecations, transfers, assignments and subleases of any portion of the Premises by any successor or assignee of Tenant, or any sublessee of the Premises.

b. Landlord may, in its absolute discretion, withhold consent to any assignment, sale, hypothecation or transfer of this Lease for any reason whatsoever. As used in this Paragraph 26, the subletting of substantially all of the Premises for substantially all of the remaining Term of this Lease shall be deemed an assignment rather than a sublease. Notwithstanding the foregoing, Landlord shall consent to the assignment, sale or transfer if the assignment Notice states that Tenant desires to assign this Lease to any entity into which Tenant is merged, with which Tenant is consolidated or which acquires all of substantially all of the assets of Tenant, provided that the assignee first executes, acknowledges and delivers to Landlord an agreement whereby the assignee agrees to be bound by all of the covenants and agreements in this Lease which Tenant has agreed to keep, observe or perform, that the assignee agrees that the provisions of this Paragraph 26 shall be binding upon it as if it were the original Tenant hereunder and that the assignee shall have a net worth (determined in accordance with generally accepted accounting principles consistently applied) immediately after such assignment which is at least equal to the net worth (as so determined) of Tenant immediately prior to the assignment.

c. Except as provided above, Landlord's consent to any sublease shall not be unreasonably withheld. If Tenant shall sublet all or any portion of the Premises that Tenant has occupied for its own use at any time, then any consideration paid by the sublessee for the portion of the Premises being sublet that previously was occupied by Tenant that exceeds the Annual Basic Rent and Rental Adjustments provided by this Lease for such portion of the Premises being sublet shall be due, owing and payable by Tenant to Landlord when paid or owing by the sublessee under the sublease. Should the consideration paid by the sublessee exceed the rental amounts stated above, Tenant shall be entitled to reimbursement for Leasing Commissions or Landlord-approved Tenant Improvements Tenant paid to procure the sublease, amortized in equal, non-interest bearing, monthly installments over the term of the sublease. The parties intend that the preceding sentences shall not apply to any sublease rentals respecting a portion of the Premises that during the entire Term of this Lease was not occupied by Tenant for its own use, but was always subleased by Tenant and/or kept vacant. For the purpose of this Subparagraph 26.c., the rent for each square foot of floor space in the Premises shall be deemed equal.

**27. Subordination.** Without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, and at the election of Landlord or any first mortgagee with a lien on the Building or any ground lessor with respect to the building, this Lease shall be subject and subordinate at all times to:

a. all ground leases or underlying leases which may now exist or hereafter be executed affecting the Building or the land upon which the Building is situated or both, and

b. the lien of any mortgage or deed of trust which may now exist or hereafter be executed in any amount for which the Building, land, ground leases or underlying leases, or Landlord's interest or estate in any of said items is specified as security.

Notwithstanding the foregoing, Landlord shall have the right to subordinate or cause to be subordinated any such ground leases or underlying leases or any such liens to this Lease. In the event that any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall, notwithstanding any subordination, attorn to and become the Tenant of the successor in interest to Landlord, at the option of said successor in interest. Tenant covenants and agrees to execute and deliver, upon demand by Landlord and in the form requested by Landlord, any additional documents evidencing the priority or subordination of this Lease with respect to any such ground leases or underlying leases or the lien of any such mortgage or deed of trust and hereby irrevocably appoints Landlord as attorney-in-fact of Tenant to execute, deliver and record any such document in the name and on behalf of Tenant.

**28. Estoppel Certificate.**

a. Within ten (10) days following any written request which Landlord may make from time to time, Tenant shall execute and deliver to Landlord a statement certifying: (i) the Commencement Date of this Lease; (ii) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications hereto, that this Lease is in full force and effect, and stating the date and nature of such modifications); (iii) the date to which the Rent and other sums payable under this Lease have been paid; (iv) that there are no current defaults under this Lease by either Landlord or Tenant except as specified in Tenant's statement; and (v) such other matters requested by Landlord. Landlord and Tenant intend that any statement delivered pursuant to this Paragraph 28 may be relied upon by any mortgagee, beneficiary, purchaser, or prospective purchaser of the Building, property or any interest therein.

b. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant: (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one (1) month's Rent has been paid in advance.

**29. Building Planning - Deleted.**

**30. Rules and Regulations.** Tenant shall faithfully observe and comply with the "Rules and Regulations", a copy of which is attached hereto and marked Exhibit "C", and all reasonable and nondiscriminatory modifications

thereof and additions thereto from time to time put into effect by Landlord. Landlord shall not be responsible to Tenant for the violation or non-performance by any other tenant or occupant of the Building of any of said Rules and Regulations.

**31. Governing Law.** This Lease shall be governed by and construed pursuant to the laws of the State of Washington.

**32. Successors and Assigns.** Except as otherwise provided in this Lease, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

**33. Surrender of Premises.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, operate as an assignment to it of any or all subleases or subtenancies.

**34. Attorney's Fees.**

a. In the event that Landlord should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease, or for any other relief against Tenant hereunder, then all costs and expenses, including reasonable attorney's fees, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

b. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy hereunder, Tenant shall pay to Landlord its costs and expenses incurred in such suit, including reasonable attorney's fees.

**35. Performance by Tenant.** All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than Annual Basic Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue for ten (10) days after notice thereof by Landlord, Landlord may, without waiving or releasing Tenant from obligations of Tenant, but shall not be obligated to, make any such payment or perform any such other act on Tenant's part to be made or performed as in this Lease provided all sums so paid by Landlord and all necessary incidental costs together with interest thereon at the maximum rate permissible by law, from the date of such payment by Landlord, shall be payable to Landlord on demand. Tenant covenants to pay any such sums, and Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the non-payment thereof by Tenant as in the case of default by Tenant in the payment of the Annual Basic Rent.

**36. Mortgage Protection.** In the event of any default on the part of Landlord, Tenant will give notice by registered or certified mail to any beneficiary of a deed of trust or mortgage covering the Premises whose address shall have been furnished to Tenant, and shall offer such beneficiary or mortgagee a reasonable opportunity to cure the default, including the time to obtain possession of the Premises by power of sale or a judicial foreclosure, if such should prove necessary to effect a cure.

**37. Definition of Landlord.** The term "Landlord" as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the owner or owners, at the time in question, of the fee title of the Premises or the Lessees under any ground lease, if any. In the event of any transfer, assignment or other conveyance or transfers of any such title, Landlord herein named (and in the case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer, assignment or conveyance of all liability as respects the performance of any covenants or obligations on the part of Landlord contained in this lease thereafter to be performed. Without further agreement, the transferee of such title shall be deemed to have assumed and agreed to observe and perform any and all obligations of Landlord thereunder, during its ownership to the Premises. Landlord may transfer its interest in the Premises without the consent of Tenant and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms and conditions of this Lease.

**38. Waiver.** The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained, nor shall any custom or practice which may grow up between the parties in the administration of the terms hereof be deemed a waiver of or in any way affect the rights of Landlord to insist upon the performance by Tenant in strict accordance with said terms. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

**39. Identification of Tenant.** If more than one person executes this Lease as Tenant:

a. each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed and performed by Tenant; and

b. the term "Tenant" as used in this Lease shall mean and include each of them jointly and severally.

The act of or notice from, or notice or refund to, or the signature of any one or more of them, with respect to the tenancy of this Lease, including, but not limited to, any renewal, extensions, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them has so acted or so given or received such notice or refund or so signed.

**40. Terms and Headings.** The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. Words used in any gender includes other genders. The paragraph headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

**41. Examination of Lease.** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for lease, and is not effective as a lease or otherwise until execution by and delivery to both Landlord and Tenant.

**42. Time.** Time is of the essence with respect to the performance of every provision of this Lease in which time or performance is a factor.

**43. Prior Agreement; Amendments.** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

**44. Separability.** Any provision of this lease which shall prove to be invalid, void or illegal in no way affect, impairs or invalidates any other provision hereof, and such other provisions shall remain in full force and effect.

**45. Recording.** Neither Landlord or Tenant shall record this Lease nor a short form memorandum thereof without the consent of the other.

**46. Limitation on Liability.** In consideration of the benefits accruing hereunder, Tenant and all successors and assigns covenant and agree that, in the event of any actual or alleged failure, breach or default hereunder by Landlord:

a. The sole and exclusive remedy shall be against Landlord's interest in the Building;

b. No partner of Landlord shall be sued or named as a party in any suit or action (except as may be necessary to secure jurisdiction of the partnership);

c. No service or process shall be made against any partner of Landlord (except as may be necessary to secure jurisdiction of the partnership);

d. No partner of Landlord shall be required to answer or otherwise plead to any service of process;

e. No judgment will be taken against any partner of Landlord;

f. Any judgment taken against any partner of Landlord may be vacated and set aside at any time nunc pro tunc;

g. No writ of execution will ever be levied against the assets of any partner of Landlord;

h. These covenants and agreements are enforceable both by Landlord and also by any partner of Landlord.

**47. Riders.** Clauses, plats and riders, if any, signed by Landlord and Tenant and affixed to this Lease are a part hereof.

**48. Modification for Lender.** If, in connection with obtaining construction, interim or permanent financing for the Building, the lender shall request reasonable modifications to this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay or defer its consent thereto, provided that such modifications do not increase the obligations of Tenant hereunder or materially adversely affect the leasehold interest hereby created or Tenant's rights hereunder.

**49. Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount than the Rent payment herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease.

Tenant agrees that each of the foregoing covenants and agreements shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by any statute or a common law.

IN WITNESS WHEREOF, the parties have executed the Lease as of the date first above written.

**LANDLORD:**

The E.M. Greenwood Trust, a Washington Trust  
Barbara G. Wise, Trustee

by: Barbara G. Wise  
Trustee  
Name, Title

**TENANT:**

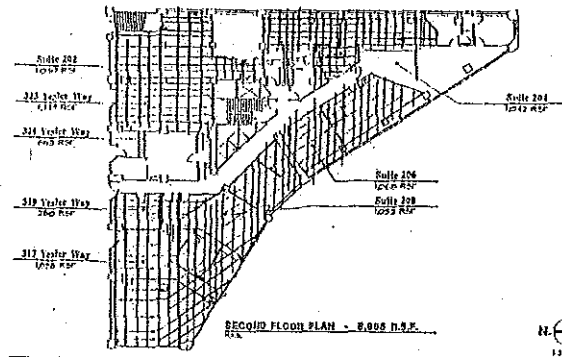
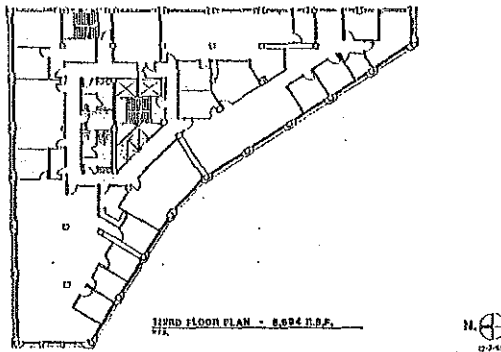
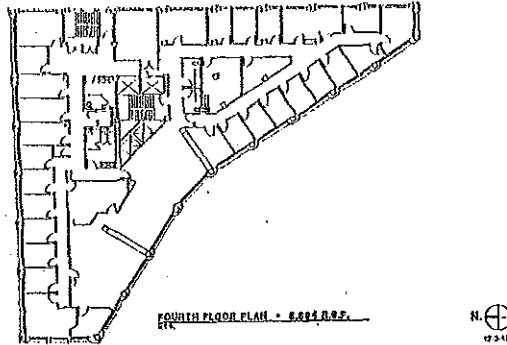
Associated Counsel For The Accused  
Tenants Name, a Washington

by: [Signature]  
Name of Signor  
by: Roy N. Hovson  
Its: Managing Director

# THE PREFONTAINE BUILDING

## EXHIBIT "A"

### Floor Plan



## EXHIBIT "A-1"

### Legal Description

All that part of Lots 6, 7, and 8 and the east 8 feet in width of the vacated alley abutting on Lot 8, in Block 17, Town of Seattle, as laid out by D.S. Maynard, commonly known as D.S. Maynard's plat of Seattle, according to the plat thereof recorded in Volume 1 of Plats, page 23, in King County, Washington, that lies northerly and easterly of Prefontaine Place;

EXCEPT the east 9 ft. in width thereof condemned in King County Superior Court Cause No. 50320 for the widening of 4th Avenue, as provided by Ordinance No. 13074 of the City of Seattle, all situated in King County, Washington.

# THE PREFONTAINE BUILDING

## EXHIBIT "B"

### Work Letter Agreement

Ladies and Gentlemen:

You (hereinafter called "Tenant") and we (hereinafter called "Landlord") are executing simultaneously with this Work Letter Agreement, a written lease (the "Lease") covering those certain premises more particularly described in Exhibit "A" to the Lease, (hereinafter referred to as the "Premises") in the building addressed at 110 Prefontaine Pl. So., Seattle, Washington 98104.

To induce Tenant to enter into the Lease (which is hereby incorporated by reference to the extent that the provisions of this Agreement may apply thereto) and in consideration of the mutual covenants hereinafter contained, Landlord and Tenant mutually agree as follows:

#### 1. TENANT'S PLANS AND SPECIFICATIONS.

a. Except to the extent otherwise provided in Subparagraph 1.b. and 1.c., Landlord agrees that, at its sole cost and expense, through its architect or space planner, Landlord will furnish all architectural, mechanical and electrical engineering plans required for the performance of the work (hereinafter referred to as "Building Standard Work", Exhibit "B-1") hereinbelow described, including complete detailed plans and specifications for Tenant's partition layout, reflected ceiling, heating and air conditioning, electrical outlets and switches and telephone outlets.

b. It is understood and agreed that Tenant may require work (hereinafter referred to as "Building Nonstandard Work") different from or in addition to the Building Standard Work. In such event, any architectural, mechanical, electrical and plumbing plans and specifications required shall be furnished, at Tenant's sole cost and expense, by Landlord's architect or space planner.

c. It is understood and agreed that any interior decorating service, such as selection of wall paint colors and/or wall coverings, fixtures, carpeting, and any or all other decorator items required by Tenant in the performance of said work referred to hereinabove in Subparagraphs 1.a. and 1.b. shall be at Tenant's sole cost and expense.

d. It is understood and agreed that all plans and specifications referred to hereinabove in Subparagraphs 1.a. and 1.b. are subject to Landlord's approval, which Landlord agrees shall not be unreasonably withheld.

#### 2. BUILDING STANDARD WORK AT LANDLORD'S COST AND EXPENSE.

Landlord agrees, at its sole cost and expense to furnish and install all of the following "Building Standard Work" limited to the quantities and/or dollar amount specified on the attached Exhibit "B-1", and as selected and specified by Landlord and as indicated on Tenant's final approved plans.

#### 3. BUILDING NONSTANDARD WORK AT TENANT'S COST AND EXPENSE.

Provided Tenant's plans and specifications are furnished by the date required hereinabove in Subparagraph 1.c., Landlord shall cause Tenant's "Building Nonstandard Work" to be installed by Landlord's contractor, but at Tenant's sole cost and expense. Prior to commencing any such work, Landlord, its contractor, or its architects shall submit to Tenant a written estimate of the cost thereof. If Tenant fails to provide to Landlord written notice of its approval of such costs within five (5) days after submission thereto to Tenant, such failure shall be deemed a disapproval thereof, and Landlord's contractor shall not proceed with such work.



**4. SUBSTITUTION AND CREDITS.**

Tenant may, with Landlord's approval and provided that Landlord has not previously purchased said material, select different new materials (except window coverings) in place of "Building Standard Work" materials which would otherwise be initially furnished and installed by Landlord for or in the interior of the Premises under the provisions of this Work Letter Agreement, provided such selection is indicated on said Tenant's final plans. If Tenant shall make any such selection and if the cost of such different new materials of Tenant's selection shall exceed Landlord's cost of the "Building Standard Work" materials thereby replaced, Tenant shall pay to Landlord, as hereinafter provided, the difference between the cost of such different new materials and the credit given by Landlord for the materials thereby replaced.

No such different new materials shall be furnished and installed in replacement for any of Landlord's "Building Standard Work" materials until Landlord or its contractor and/or its architect or space planner shall have advised Tenant in writing of, and Landlord or this contractor and/or its architect or space planner have agreed in writing on, the cost of such different materials and Landlord's cost of such replaced Landlord's "Building Standard Work" materials.

One hundred percent (100%) of all amounts payable by Tenant to Landlord pursuant to Paragraphs 3. and 4. of this Work Letter Agreement shall be paid by Tenant upon Tenant's execution of the written estimate for the work required.

**5. COMPLETION AND RENTAL COMMENCEMENT DATE.**



It is agreed that Tenant's obligation for the payment of rent under the Lease shall not commence until Landlord has substantially completed all work to be performed by Landlord as hereinabove set forth in Paragraphs 2. and 3.; provided, however, that if Landlord shall be delayed in substantially completing said work as a result of:

- a. Tenant's failure to furnish plans and specifications in accordance with the date specified hereinabove in Subparagraph 1.e.; or
- b. Tenant's request for materials, finishes or installations other than Landlord's "Building Standard Work"; or
- c. Tenant's changes in the said plans and specifications after their submission to Landlord in accordance with the provisions of Subparagraph 1.e. hereinabove; or
- d. Tenant's failure to approve estimates pursuant to Paragraph 3. hereinabove covering "Building Nonstandard Work"; then the commencement of the term of said lease shall be accelerated by the number of days of such delay.

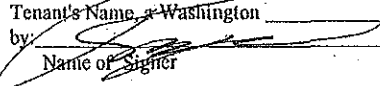
If the foregoing correctly sets forth our understanding, kindly sign copies of this Work Letter Agreement where indicated.

**LANDLORD:**

E.M. Greenwood Trust, a Washington Trust  
Barbara G. Wise Trustee

by:   
  
Name, Title

**TENANT:**

Associated Counsel For the Accused  
Tenant's Name, a Washington  
by:   
Name of Signer  
by: Roy N. Howson  
Its: Managing Director

# THE PREFONTAINE BUILDING

## EXHIBIT "B-1"

### Building Standard Work

Landlord shall build, per a mutually agreed upon space plan, attached hereto as Exhibit 1 to this Exhibit B-1, all Tenant Improvements on a turnkey basis. This shall include the cost of all construction, taxes, permits, contractor profits, construction drawing preparation, and the cost of standard space planning. Any changes to Exhibit 1 which result in additional cost shall be offset with a change which results in an equal reduction in cost.

All Tenant Improvements shall utilize building standard materials unless specified in writing by the Tenant and agreed to by the Landlord. Landlord will use its best efforts to expedite the construction process and minimize the disruption to Tenant's business activity. Tenant agrees to cooperate, as is reasonable, with Landlord in completing the required Tenant Improvements.

# THE PREFONTAINE BUILDING

## EXHIBIT "C"

### Rules and Regulations

1. No sign, placard, picture, name or notice shall be installed or displayed on any part of the outside or inside of the Building without the prior written consent of Landlord. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person chosen by Landlord.
2. If Landlord objects in writing to any curtain, blinds, shades, screens or hanging plants or other similar objects attached to or used in connection with any window or door of the premises, Tenant shall immediately discontinue such use. No awning shall be permitted on any part of the Premises. Tenant shall not place anything against or near glass partitions or doors or windows which may appear unsightly from outside the Premises.
3. Tenant shall not obstruct any sidewalk, halls, passages, exits, entrances, elevators, escalators and stairways of the Building. The halls, passages, exits, entrances, elevators, escalators and stairways are not open to the general public. Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interest of the Building and its tenants; provided that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. No tenant and no employee or invitee of any tenant shall go upon the roof of the Building.
4. The directory of the Building will be provided exclusively for the display of the name and location of Tenants only, and Landlord reserves the right to exclude any other names therefrom.
5. All cleaning and janitorial services for the Building and the Premises shall be provided exclusively through Landlord, and except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be employed by Tenant or permitted to enter the Building for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises. Landlord shall not in any way be responsible to any Tenant for any loss of property on the Premises, however occurring, or for any damage to any Tenant's property by the janitor or any other employee or any other person.
6. Landlord will furnish to Tenant, free of charge, two keys to each door lock in the Premises. Landlord may make a reasonable charge for any additional keys. Tenant shall not make or have made additional keys, and Tenant shall not alter any lock or install a new additional lock or bolt on any door of its Premises. Tenant, upon termination of its tenancy, shall deliver to Landlord the keys of all doors which have been furnished to Tenant, and in the event of loss of any key so furnished, shall pay Landlord therefor.
7. If Tenant requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain, and comply with, Landlord's instructions in their installation.
8. Any freight elevator shall be available for use by all tenants in the Building, subject to such reasonable scheduling as Landlord in its discretion shall deem appropriate. No equipment, materials, packages, supplies, merchandise or other property will be received in the Building or carried in the elevators except between set hours and in such elevators as may be designated by Landlord.
9. Tenant shall not place a load on any floor of the Premises which exceeds the load per square foot which such floor was designed to carry and which is allowed by law. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the building. Heavy objects shall, if considered necessary by Landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight. Business machines and mechanical equipment belonging to Tenant, which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to any tenants in the Building, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the Building must be acceptable to Landlord. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense to Tenant.
10. Tenant shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the premises to be occupied or used in a manner offensive or objectionable to Landlord or other

occupants of the Building by reason of noise, odors or vibrations, nor shall Tenant bring into or keep in or about the Premises any birds or animals.

11. Tenant shall not use any method of heating or air conditioning other than that supplied by Landlord.
12. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning and to comply with any government energy-saving rules, laws or regulations of which Tenant has actual notice, and shall refrain from attempting to adjust controls. Tenant shall keep corridor doors closed, and shall close window coverings at the end of each business day.
13. Landlord reserves the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building.
14. Landlord reserves the right to exclude from the Building between the hours of 6 p.m. and 7 a.m. the following day, or such other hours as may be established from time to time by Landlord, and on Saturdays and Sundays and legal holidays, any person unless that person is known to the person or employee in charge of the Building and has a pass or is properly identified. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.
15. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, and electricity, gas or air outlets before Tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Building or by Landlord for noncompliance with this rule.
16. Tenant shall not obtain for use on the Premises ice, drinking water, food, beverage, towel or other similar services or accept barbering or bootblacking service upon the Premises, except at such hours and under such regulations as may be fixed by Landlord.
17. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or invitees, shall have caused it.
18. Tenant shall not sell, or permit the sale at retail, of newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the general public in or on the Premises. Tenant shall not make any room-to-room solicitation of business from other tenants in the Building. Tenant shall not use the Premises for any business or activity other than that specifically provided for in Tenant's Lease.
19. Tenant shall not install any radio or television antenna, loudspeaker or other device on the roof or exterior walls of the Building. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.
20. Tenant shall not mark, drive nails, screws or drill into the partitions, woodwork or plaster or any way deface the Premises or any part thereof. Landlord reserves the right to direct electricians as to where and how telephone and telegraph wires are to be introduced to the Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.
21. Tenant shall not install, maintain or operate upon the Premises any vending machine without the written consent of Landlord.
22. Canvassing, soliciting and distribution of handbills or any other written material, and peddling in the Building are prohibited, and each tenant shall cooperate to prevent same.
23. Landlord reserves the right to exclude or expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of the Rules and Regulations of the Building.
24. Tenant shall store all its trash and garbage within its Premises. Tenant shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Landlord.
25. The Premises shall not be used for the storage of merchandise held for sale to the general public, or for lodging or for manufacturing of any kind, nor shall the Premises be used for any improper, immoral or objectionable purpose. No cooking shall be done or permitted by any tenant on the Premises except that use by Tenant of Underwriter's Laboratory approved equipment for brewing coffee, tea, hot chocolate and similar beverages shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

26. Tenant shall not use in any space or in the public halls of the Building any hand truck except those equipped with rubber tires and side guards or such other material-handling equipment as Landlord may approve. Tenant shall not bring any other vehicles of any kind into the Building.
27. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
28. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.
29. Tenant assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.
30. The requirements of Tenant will be attended to only upon appropriate application to the office of the Building by an authorized individual. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord, and no employee of Landlord will admit any person (Tenant or otherwise) to any office without specific instructions.
31. Tenant shall not park its vehicles in any parking areas designated by Landlord as areas for parking by visitors to the Building. Tenant shall not leave vehicles in the Building parking areas overnight nor park any vehicles in the Building parking areas other than automobiles, motorcycles, motor driven or non-motor driven bicycles or four-wheeled trucks.
32. Landlord may waive one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations against any or all of the tenants in the Building.
33. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of premises in the Building.
34. Landlord reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for the safety and security, for care and cleanliness of the Building and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations hereinabove stated and any additional rules and regulations which are adopted.
35. Tenant shall be responsible for the observance of all to the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.

EXHIBIT D

STANDARDS FOR UTILITIES AND SERVICES

The following Standards for Utilities and Services are in effect. Landlord reserves the right to adopt nondiscriminatory modifications and additions hereto:

As long as Tenant is not in default under any of the terms, covenants, conditions, provisions or agreements of this Lease, Landlord shall:

(a) Provide non-attended automatic elevator facilities Monday through Friday, except holidays, from 8 A.M. to 6 P.M. and have one elevator available at all other times.

(b) On Monday through Friday, except holidays, from 8 A.M. to 5 P.M., ("usual business hours") (and other times for a reasonable additional charge to be fixed by Landlord), ventilate the Premises and furnish air conditioning or heating on such days and hours, when in the judgment of Landlord it may be required for the comfortable occupancy of the Premises. The building standard comfortable occupancy temperatures shall range between 68 degrees F and 78 degrees F during usual business hours. The air conditioning system achieves maximum cooling when the window coverings are closed. Landlord shall not be responsible for room temperatures if Tenant does not keep all window covering in the Premises closed whenever the system is in operation. Tenant agrees to co-operate fully at all times with Landlord, and to abide by all regulations and requirements which Landlord may prescribe for the proper function and protection of said air conditioning system. Tenant agrees not to connect any apparatus, device, conduit or pipe to the Building chilled and hot water air conditioning supply lines. Tenant further agrees that neither Tenant nor its servants, employees, agents, visitors, licensees or contractors shall at any time enter mechanical installations or facilities of the Building or adjust, tamper with, touch or otherwise in any manner affect said installations or facilities.

(c) Landlord shall furnish to the Premises, during the usual business hours on business days, electric current as required by the Building standard office lighting and fractional horsepower office business machines in the amount of approximately two and one-half (2.5) watts per square foot. Tenant agrees, should its electrical installation or electrical consumption be in excess of the aforesaid quantity or extend beyond normal business hours, to reimburse Landlord monthly for the measured consumption at the terms, classifications and rates charges to similar consumers by said public utility serving the neighborhood in which the Building is located. If a separate meter is not installed at Tenant's cost, such excess cost will be established by an estimate agreed upon by Landlord and Tenant, and if the parties fail to agree, as established by independent licensed engineer. Tenant agrees not to use any apparatus or device in, or upon, or about the Premises which may in any way increase the amount of such services usually furnished or supplied to said Premises, and Tenant and Tenant further agrees not to connect any apparatus or device with wires, conduits or pipes, or other means by which such services are supplied, for the purpose of using additional or unusual amounts of such services without written consent of Landlord. Should Tenant use the same to excess, the refusal on the part of Tenant to pay upon demand of Landlord the amount established by Landlord for such excess charge shall constitute a breach of the obligation to pay rent under this Lease and shall entitle Landlord to the rights therein granted for such breach. At all times Tenant's use of electric current shall never exceed the capacity of the feeders to the Building or the risers or wiring installation and Tenant shall not install or use or permit the installation or use of any computer or electronic data processing equipment in the Premises without the prior written consent of Landlord.

(d) Water will be available in public areas for drinking and lavatory purposes only, but if Tenant requires, uses or consumes water for any purposes in addition to ordinary drinking and lavatory purposes of which fact Tenant constitutes Landlord to be the sole judge, Landlord may install a water meter and thereby measure Tenant's water consumption for all purposes. Tenant shall pay Landlord for the cost of the meter and the cost of the installation thereof and throughout the duration of Tenant's occupancy Tenant shall keep said meter and installation equipment in good working order and repair at Tenant's own cost and expense, in default of which Landlord may cause such meter and equipment to be replaced or repaired and collect the cost thereof from Tenant. Tenant agrees to pay for water consumed, as shown on said meter, as and when bills are rendered, and on default in making such payment, Landlord may pay such charges and collect the same from Tenant. Any such costs or expenses incurred, or payments made by Landlord for any of the reasons or purposes hereinabove stated shall be deemed to be additional rent payable by Tenant and collectible by Landlord as such.

(e) Provide janitor service to the Premises, provided the same are used, exclusively as offices, and are kept reasonably in order by Tenant, and if to be kept clean by Tenant, no one other than persons approved by Landlord shall be permitted to enter the Premises for such purposes. If the Premises are not used exclusively as offices, they shall be kept clean and in order by Tenant, at Tenant's expense, and to the satisfaction of Landlord, and by persons approved by Landlord, Tenant shall pay to Landlord the cost of removal of any of Tenant's refuse and rubbish usually attendant upon the use of the Premises as offices.

Landlord reserves the right to stop services of the elevator, plumbing, ventilation, air conditioning and electric systems, when necessary, by reason of accident or emergency or for repairs, alterations or improvements, in the judgment of Landlord, desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed, and shall further have no responsibility or liability for failure to supply elevator facilities, plumbing, ventilating, air conditioning or electric service, when prevented from so doing by strike or accident or by any cause beyond Landlord's reasonable control, or by laws, rules, orders, ordinances, directions, regulations or requirements of any federal, state, county or municipal authority or failure of gas, oil or other suitable fuel supply or inability by exercise of reasonable diligence to obtain gas, oil or other suitable fuel. It is expressly understood and agreed that any covenants on Landlord's part to furnish any service pursuant to any of the terms, covenant, conditions, provisions or agreements of this Lease, or to perform any act or thing for the benefit of Tenant, shall not be deemed breached if Landlord is unable to furnish or perform the same by virtue of a strike or labor trouble or any other cause whatsoever beyond Landlord's control.

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

On this 7<sup>th</sup> day of March, 1998, before me personally appeared Barbara J. White to me known to be the authorized agent of the E.M. Greenwood Trust, the Trust that executed the within and foregoing instrument and acknowledged the same instrument to be the free and voluntary act of said trust, for the uses and purposes therein mentioned and on oath stated that she is authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal, the day and year first above written.

Shirley M. Munnich  
NOTARY PUBLIC in and for the State of Washington  
Residing at Seattle



FIRST AMENDMENT OF LEASE

COPY

THIS FIRST AMENDMENT OF LEASE is made this 1<sup>st</sup> day of <sup>June</sup> May, 1998, by and between the E.M. Greenwood Trust ("Landlord"), and Associated Counsel for the Accused, a Washington nonprofit corporation, ("Tenant").

RECITALS OF FACT

A. Landlord and Tenant have entered into a written Lease dated February 15, 1998, ("the Lease") whereby LESSOR leased to LESSEE and LESSEE leased from LESSOR the premises located in the County of King, State of Washington, more particularly described in the Lease.

B. LESSOR and LESSEE desire to amend the Lease.

NOW, THEREFORE, incorporating the foregoing recitals of fact and for valuable consideration, the receipt and sufficiency of which hereby is acknowledged, LESSOR and LESSEE agree as follows:

1. Paragraph 1e. PREMISES shall be amended by deleting the language "...approximately 24,888 rentable square feet...." and by substituting therefore the following: "...approximately 25,930 rentable square feet..."
2. Paragraph 1m. Tenant's percentage shall be amended by deleting "58.91%" and substituting therefore "61.38%".
3. Paragraph 1n. SECURITY DEPOSIT shall be amended by deleting "...\$33,599.00" and by substituting therefore "...\$34,916.06".
4. Addendum A, paragraph 1. BASE RENT shall be amended by deleting its contents entirely and substituting therefore the following:

Year	Annual Base Rent	Monthly Base Rent
1-5	\$418,992.74	\$34,916.06
6-7	431,599.04	35,966.59
8-9	451,046.54	37,587.21
10	464,011.54	38,667.63

5. The OPTION TO EXPAND contained in paragraph 2 of Addendum A shall be deemed to be timely exercised upon mutual execution hereof.
6. EXHIBIT A shall be amended by deleting Exhibit A in its entirety and substituting therefore the Exhibit A which is attached hereto and by this reference is incorporated herein.
7. Except as expressly amended herein, the remainder of the terms conditions rights and obligations contained in the Lease shall remain in full force and effect.

LESSOR:

LESSEE:

E.M. GREENWOOD TRUST,  
a Washington trust,

ASSOCIATED COUNSEL for the  
ACCUSED, a Washington nonprofit corporation

by *Barbara G. Wise*  
BARBARA G. WISE, Trustee

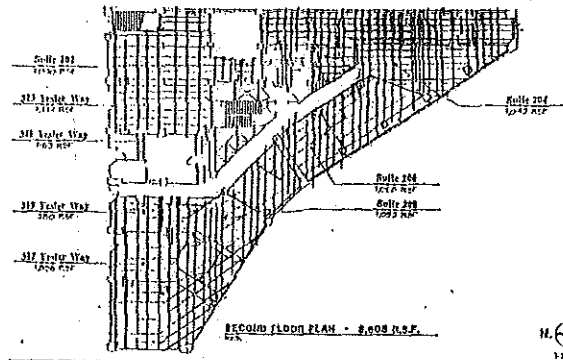
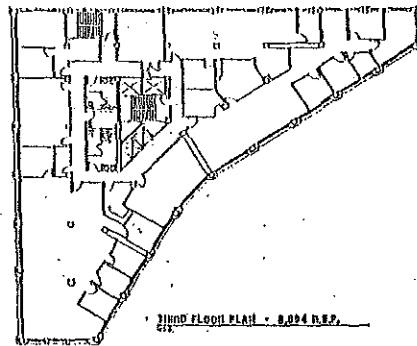
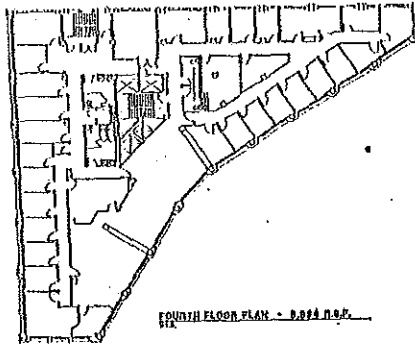
*Roy N. Howson*  
ROY N. HOWSON, its Managing Director



# THE PREFONTAINE BUILDING

## EXHIBIT "A"

### Floor Plan



## EXHIBIT "A-1"

### Legal Description

All that part of Lots 6, 7, and 8 and the east 8 feet in width of the vacated alley abutting on Lot 8, in Block 17, Town of Seattle, as laid out by D.S. Maynard, commonly known as D.S. Maynard's plat of Seattle, according to the plat thereof recorded in Volume 1 of Plats, page 23, in King County, Washington, that lies northerly and easterly of Prefontaine Place;

EXCEPT the east 9 ft. in width thereof condemned in King County Superior Court Cause No. 50320 for the widening of 4th Avenue, as provided by Ordinance No. 13074 of the City of Seattle, all situated in King County, Washington.

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF..... )

On this 10<sup>th</sup> day of June 1998 before me, the undersigned, a Notary Public in and for the State of Washington duly commissioned and sworn, personally appeared Barbara G. Wise to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as she free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Shirley M. Mendenhall  
Notary Public in and for the State of Washington,  
residing at Seattle

My commission expires 12-20-00.

SECOND AMENDMENT OF LEASE

THIS SECOND AMENDMENT OF LEASE is made this 4th day of October, 2004, by and between the E.M. Greenwood Trust ("Landlord"), and Associated Counsel for the Accused, a Washington nonprofit corporation, ("Tenant").

RECITALS OF FACT

A. Landlord and Tenant have entered into a written Lease dated February 15, 1998, ("the Lease") and First Amendment to Lease May 1998, whereby LESSOR leased to LESSEE and LESSEE leased from LESSOR the premises located in the County of King, State of Washington, more particularly described in the Lease.

B. LESSOR and LESSEE desire to amend the Lease.

NOW, THEREFORE, incorporating the foregoing recitals of fact and for valuable consideration, the receipt and sufficiency of which hereby is acknowledged, LESSOR and LESSEE agree as follows:

- 1. Paragraph 1f. TERM, shall be amended to read "to be extended five years, beginning January 1, 2009 and ending December 31, 2013."
- 2. Addendum A, paragraph 1. BASE RENT shall be amended by deleting its contents entirely and substituting therefore the following:

Existing commences 1/1/09		25,930 sf	
Year		\$/SF	\$/Month
01/01/09	12/31/2009	\$18.50	\$39,975.00
01/01/10	12/31/2010	\$19.00	\$41,056.00
01/01/11	12/31/2011	\$19.50	\$42,136.00
01/01/12	12/31/2012	\$20.00	\$43,217.00
01/01/13	12/31/2013	\$20.50	\$44,297.00

- 3. Option: Tenant shall have one 5 (five) year option to extend. Said option shall be at the following rates:

Year		\$/SF	\$/Month
01/01/14	12/31/2014	\$21.00	\$45,377.50
01/01/15	12/31/2015	\$21.50	\$46,457.92
01/01/16	12/31/2016	\$22.00	\$47,538.33
01/01/17	12/31/2017	\$22.50	\$48,618.75
01/01/18	12/31/2018	\$23.00	\$49,699.17

- 4. Tenant Improvements: Lessor shall repaint and recarpet leased premises <sup>January 2006</sup> at commencement of Second Amendment to Lease which begins January 1, 2009.
- 5. Except as expressly amended herein, the remainder of the terms conditions rights and obligations as contained in the Lease shall remain in full force and effect.

LESSOR:

E.M. GREENWOOD TRUST, a Washington trust, corporation

by Paul E. Krug  
PAUL E. KRUG Trustee

LESSEE:

ASSOCIATED COUNSEL for the ACCUSED, a Washington nonprofit

Ray A. Howson, its Managing Director  
Jim Johnson Assistant



THIRD AMENDMENT OF LEASE

THIS THIRD AMENDMENT OF LEASE is made this 9<sup>th</sup> day of October, 2009, by and between the E.M. Greenwood Trust ("Landlord"), and Associated Counsel for the Accused, a Washington nonprofit corporation, ("Tenant").

RECITALS OF FACT

- A. Landlord and Tenant have entered into a written Lease dated February 15, 1998, ("the Lease") and Amended the Lease on June 10, 1998 and also October 4 2004, whereby LESSOR leased to LESSEE and LESSEE leased from LESSOR the premises located in the County of King, State of Washington, more particularly described in the Lease.
- B. Tenant and Landlord desires to temporarily expand Tenants Premises.

NOW, THEREFORE, incorporating the foregoing recitals of fact and for valuable consideration, the receipt and sufficiency of which hereby is acknowledged, LESSOR and LESSEE agree as follows:

1. From October 19, 2009 until April 30, 2010, Tenant shall rent an additional 958 Square Feet on floor one as shown on the attached Exhibit A. Rent shall increase \$1053.80 per each calendar month, except the rent for the portion of October 2009 shall be \$458.65.
2. The Premises shall be cleaned prior to move in. Tenant shall be responsible for any and all other work necessary for Tenant's use of the additional 958 square feet.
3. Tenant's percentage shall be adjusted by the Landlord during Tenant's occupancy of this additional 958 square feet.
4. Except as expressly amended herein, the remainder of the terms conditions rights and obligations as contained in the Lease shall remain in full force and effect.

LESSOR:

E.M. GREENWOOD TRUST,  
a Washington trust,  
corporation

by Paul E Krug  
PAUL E KRUG, Trustee

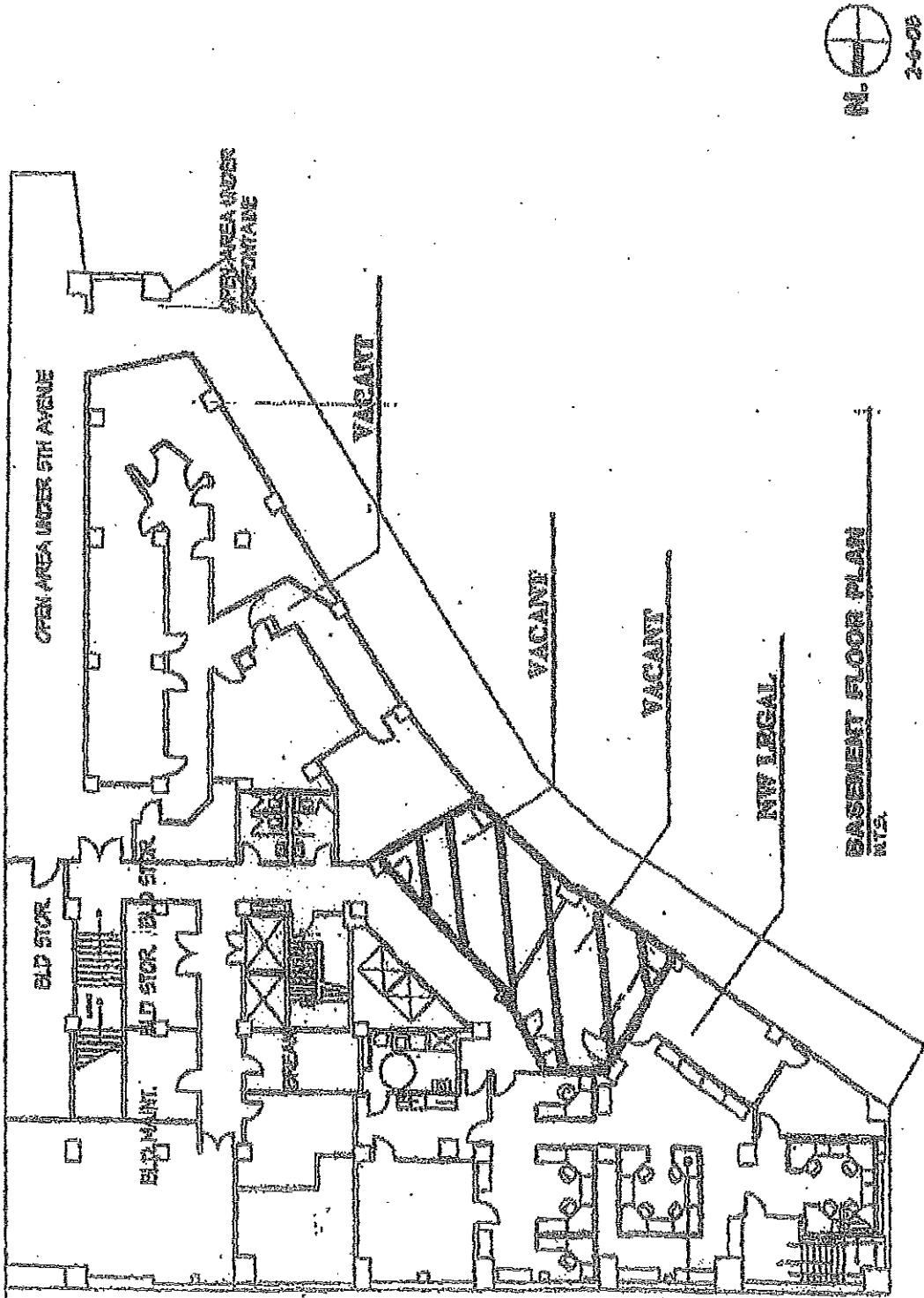
LESSEE:

ASSOCIATED COUNSEL for the  
ACCUSED, a Washington nonprofit

Donald Madsen 10/9/09  
Donald Madsen, Its Managing Director

10/9/09

EXHIBIT A to Third Amendment to Lease



**Profontaine Building**  
 100 PROFONTAINE PLACE SOUTH  
 SEATTLE, WASHINGTON

E.I.1

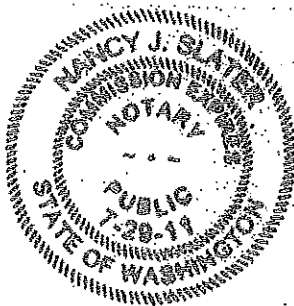


STATE OF WASHINGTON )

COUNTY OF KING ) ss

On this 16<sup>th</sup> day of October, 2009, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Paul E Krug, to me known to be the Trustee for the E.M. Greenwood Trust, a Washington trust, described in and who executed the foregoing instrument and acknowledged to me that she signed and sealed the said instrument as her free and voluntary act and deed for the uses and purposes therein mentioned and she was authorized to so act.

WITNESS my hand and official seal the day and year in this certificate above written.



*Nancy J. Slater*  
NOTARY PUBLIC in and for the State of  
Washington, residing at Seattle King County  
My commission expires July 29, 2011.

THIRD AMENDMENT OF LEASE

THIS THIRD AMENDMENT OF LEASE is made this 13th day of October, 2004, by and between the E.M. Greenwood Trust ("Landlord"), and Associated Counsel for the Accused, a Washington nonprofit corporation, ("Tenant").

RECITALS OF FACT

A. Landlord and Tenant have entered into a written Lease dated February 15, 1998, ("the Lease"), a First Amendment of Lease dated May 10th, 1998, and a Second Amendment of Lease dated October 4, 2004, whereby LESSOR leased to LESSEE and LESSEE leased from LESSOR the premises located in the County of King, State of Washington, more particularly described in the Lease.

B. LESSOR and LESSEE desire to amend the Lease.

NOW, THEREFORE, incorporating the foregoing recitals of fact and for valuable consideration, the receipt and sufficiency of which hereby is acknowledged, LESSOR and LESSEE agree as follows:

1. Paragraph 1e. PREMISES shall be amended to add Suites 502 and 504 (hereinafter referred to as Suite 502) to LESSEE's current square footage in Suite 200 by adding the following: ".....plus Suite 502, consisting of approximately 3,766 rentable square feet located on the fifth floor of the building for a total of 29,696 square feet....."

1(a) Tenant's Address:

110 Prefontaine Place So, Suite 200  
Seattle, WA 98104

1(b) SUITE: 502 (Prior to occupancy Suites #502 and #504) per Floor Plan attached hereto and incorporated herein as D and legal description as D-1.

2. Paragraph 1m. Tenant's percentage shall be amended by adding 8.92% for Suite 502 to Lessee's current 61.38% and substituting the percentage "... 70.30%" for the current percentage " 61.38%".
3. Paragraph 1n. SECURITY DEPOSIT shall be amended by deleting "...\$33,599.00" and by substituting therefore "...an additional deposit of \$5649 for a total of \$39,248."
4. Paragraph 1(f). TERM shall be amended by adding "For Suite 502 only the initial term shall be three years ( plus any additional days of occupancy caused by the earlier completion of tenant improvements), commencing on the earlier of January 1, 2005, or the substantial completion of tenant improvements."

5. Paragraph I(l) EXPENSES shall be amended by adding " Suite 502, the same as Suite 200".
6. Tenant Improvements: Per space plan to be attached by Lessee and agreed to by Landlord.
7. Storage Locker: Number to be determined by Lessor and Lessee. Rate shall be \$.75/sf/mon.
8. BASE RENT for Suite 502 only shall be as follows:

<u>Year</u>	<u>Rate \$/sf</u>	<u>SF</u>	<u>Mo/Rent</u>	<u>Annual</u>
		3766sf		
01/01/05 12/31/2005	\$18.00		\$5,649	\$67,788.00
01/01/06 12/31/2006	\$18.50		\$5,806	\$69,671.00
01/01/07 12/31/2007	\$19.00		\$5,963	\$71,554.00

9. OPTIONS: Tenant shall have three (3) options of three (3) years each to extend the lease of Suite 502 on the same terms and conditions contained herein. Tenant shall have until one hundred and eighty days prior to the expiration of its lease for Suites 502 in which to exercise this option by way of delivering to Landlord a written notice of exercise thereof. Should Tenant fail to timely exercise this option, said option shall expire and be null and void. Option base rent shall be as follows:

**Option #1**

<u>Year</u>	<u>\$/SF</u>	<u>Rate</u>	<u>Annual</u>
01/01/08 12/31/2008	\$19.50	\$6,120	\$73,437.00
01/01/09 12/31/2009	\$20.00	\$6,276	\$75,320.00
01/01/10 12/31/2010	\$20.50	\$6,434	\$77,203.00

**Option #2**

<u>Year</u>	<u>\$/SF</u>	<u>Rate</u>	<u>Annual</u>
01/01/11 12/31/2011	\$21.00	\$6,591	\$79,086.00
01/01/12 12/31/2012	\$22.00	\$6,904	\$82,852.00
01/01/13 12/31/2013	\$23.00	\$7,218	\$86,618.00

**Option #3**

<u>Year</u>	<u>\$/SF</u>	<u>Rate</u>	<u>Annual</u>
01/01/14 12/31/2014	\$23.50	\$7,375	\$88,501.00
01/01/15 12/31/2015	\$24.00	\$7,532	\$90,384.00
01/01/16 12/31/2016	\$24.50	\$7,689	\$92,267.00

8: RENT PRIOR TO COMMENCEMENT DATE: Landlord acknowledges that Tenant wishes to move into premises prior to January 1, 2005 (specifically November 15, 2004 or upon completion of tenant improvements) and will cooperate with Tenant in doing so. Rent shall be prorated at the same rate as Year 1 of lease base rent.

9. EARLY ACCESS: Prior to occupancy, Tenant shall have access to the premises to install its computer and/or telephone wire and equipment. Landlord shall cooperate with Tenant and Tenant's vendors.

Except as expressly amended herein, the remainder of the terms, conditions, rights and obligations as contained in the Lease shall remain in full force and effect.

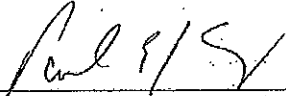
LESSOR:

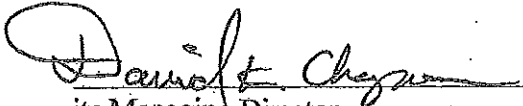
LESSEE:

E.M. GREENWOOD TRUST,  
a Washington trust,

ASSOCIATED COUNSEL for the  
ACCUSED, a Washington nonprofit corporation

by

  
\_\_\_\_\_  
PAUL E. KRUG, Trustee

  
\_\_\_\_\_  
its Managing Director



# THE PREFONTAINE BUILDING

EXHIBIT "D."

Floor Plan  
Suite 502

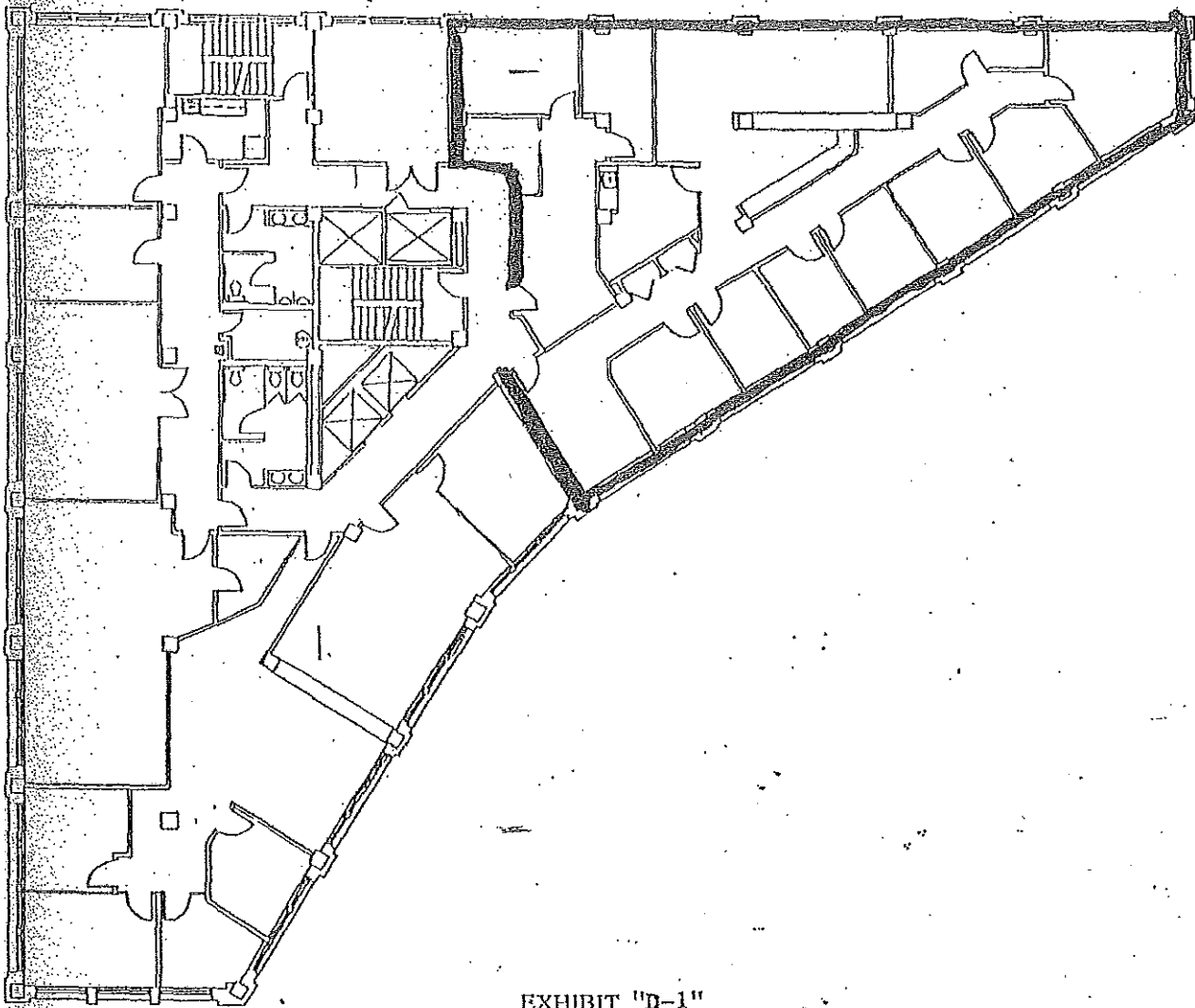


EXHIBIT "D-1"

Legal Description

All that part of Lots 6, 7, and 8 and the east 8 feet in width of the vacated alley abutting on Lot 8, in Block 17, Town of Seattle, as laid out by D.S. Maynard, commonly known as D.S. Maynard's plat of Seattle, according to the plat thereof recorded in Volume 1 of Plats, page 23, in King County, Washington, that lies northerly and easterly of Prefontaine Place;

EXCEPT the east 9 ft. in width thereof condemned in King County Superior Court Cause No. 50320 for the widening of 4th Avenue, as provided by Ordinance No. 13074 of the City of Seattle, all situated in King County, Washington.

Don Madsen ✓  
ORIGINAL 102,556

FIFTH AMENDMENT OF LEASE

THIS FIFTH AMENDMENT OF LEASE is made this 26<sup>th</sup> day of May, 2010, by and between the E.M. Greenwood Trust ("Landlord"), and Associated Counsel for the Accused, a Washington nonprofit corporation, ("Tenant").

RECITALS OF FACT

- A. Landlord and Tenant have entered into a written Lease dated February 15, 1998, ("the Lease") and Amended the Lease on June 10, 1998, October 4 2004, October 13, 2004 and October 2009 whereby LESSOR leased to LESSEE and LESSEE leased from LESSOR the premises located in the County of King, State of Washington, more particularly described in the Lease.
- B. Tenant and Landlord desire to extend the temporary expansion of 958 square feet for one year.

NOW, THEREFORE, incorporating the foregoing recitals of fact and for valuable consideration, the receipt and sufficiency of which hereby is acknowledged, LESSOR and LESSEE agree as follows:

- 1. From May 1, 2010 until April 30, 2011, Tenant shall continue to rent the additional 958 Square Feet on floor one as shown on the attached Exhibit A at the additional rate of \$1053.80 per each calendar month.
- 2. Tenant's percentage shall be adjusted by the Landlord during Tenant's occupancy of this additional 958 square feet, however Tenant shall not be charged additional or increases in operating expenses for this increase in Tenant's percentage.
- 3. Effective May 1, 2010, Tenant shall not be provided janitorial in this 958 square feet of area.
- 4. Except as expressly amended herein, the remainder of the terms conditions rights and obligations as contained in the Lease shall remain in full force and effect.

LESSOR:

E.M. GREENWOOD TRUST,  
a Washington trust,  
corporation

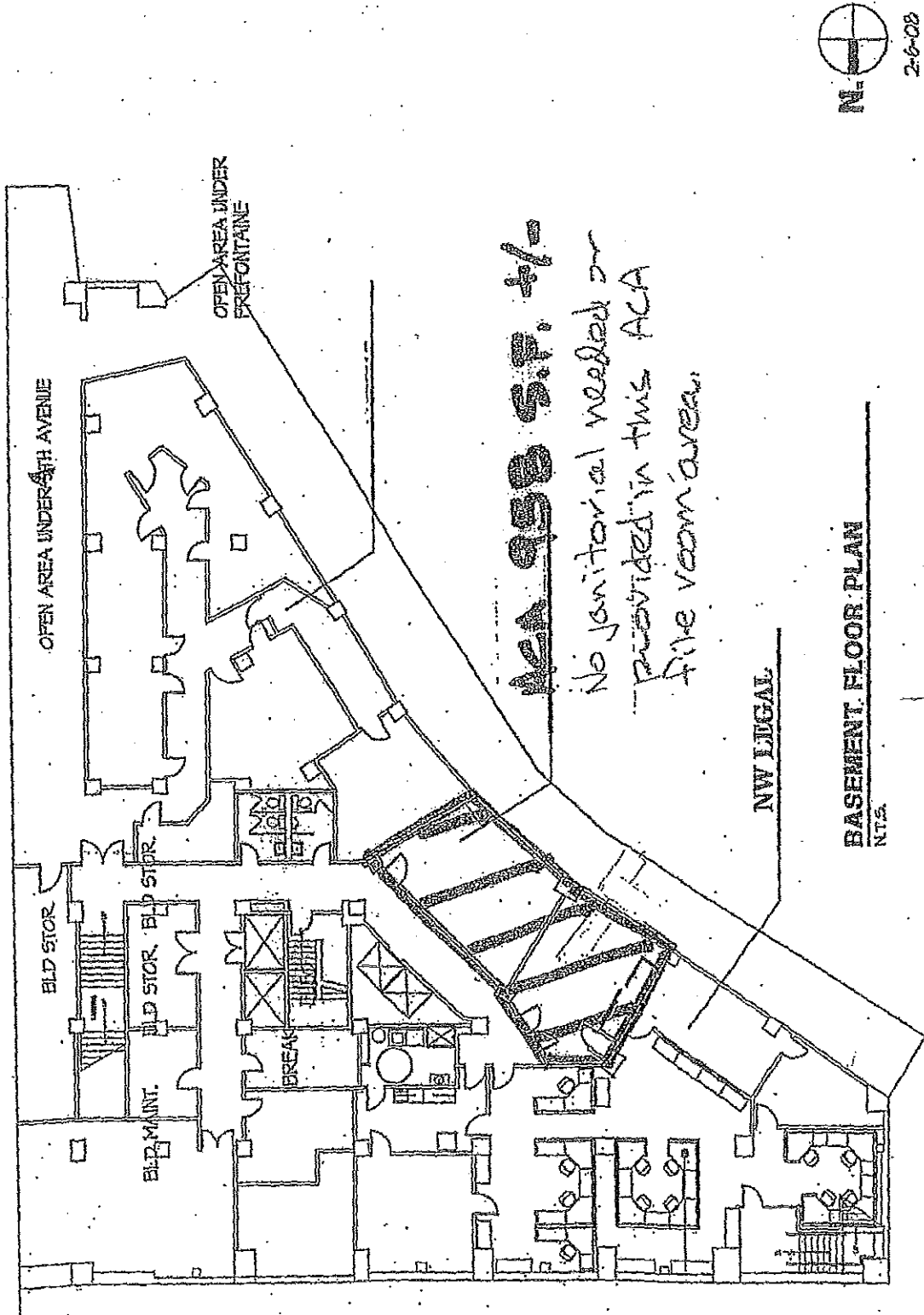
by Paul E Krug  
PAUL E KRUG, Trustee

LESSEE:

ASSOCIATED COUNSEL for the  
ACCUSED, a Washington nonprofit

Donald Madsen  
Donald Madsen, its Managing Director

EXHIBIT A to Fifth Amendment to Lease



**Prefontaine Building**  
110 PREFONTAINE PLACE SOUTH  
SEATTLE, WASHINGTON

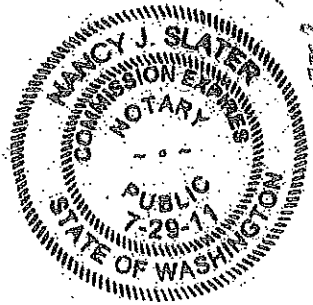


STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

On this JULY 2010 day of ~~May~~, 1998, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Paul E. Krug, to me known to be the Trustee for the E.M. Greenwood Trust, a Washington trust, described in and who executed the foregoing instrument and acknowledged to me that she signed and sealed the said instrument as her free and voluntary act and deed for the uses and purposes therein mentioned and she was authorized to so act.

WITNESS my hand and official seal the day and year in this certificate above written.

*Nancy J. Slater*  
NOTARY PUBLIC in and for the State of  
Washington, residing at *King County Seattle*  
My commission expires *July 29, 2011*



APR 29 11 06:31  
ACCA  
102-455

SIXTH AMENDMENT OF LEASE

THIS SIXTH AMENDMENT OF LEASE is made this 28<sup>th</sup> day of April, 2011, by and between the E.M. Greenwood Trust ("Landlord"), and Associated Counsel for the Accused, a Washington nonprofit corporation, ("Tenant").

RECITALS OF FACT

- A. Landlord and Tenant have entered into a written Lease dated February 15, 1998, ("the Lease") and Amended the Lease on June 10, 1998, October 4 2004, October 13, 2004, October 2009, and May 26, 2010, whereby LESSOR leased to LESSEE and LESSEE leased from LESSOR the premises located in the County of King, State of Washington, more particularly described in the Lease.
- B. Tenant and Landlord desire to extend the temporary expansion of 958 square feet for one year.

NOW, THEREFORE, incorporating the foregoing recitals of fact and for valuable consideration, the receipt and sufficiency of which hereby is acknowledged, LESSOR and LESSEE agree as follows:

- 1. From May 1, 2011 until April 30, 2012, Tenant shall continue to rent the additional 958 Square Feet on floor one as shown on the attached Exhibit A at the additional rate of \$1,100.00 per each calendar month.
- 2. Except as expressly amended herein, the remainder of the terms conditions rights and obligations as contained in the Lease, as amended, shall remain in full force and effect.

LESSOR:

LESSEE:

E.M. GREENWOOD TRUST,  
a Washington trust,  
corporation

ASSOCIATED COUNSEL for the  
ACCUSED, a Washington nonprofit

by

  
PAUL E KRUG, Trustee

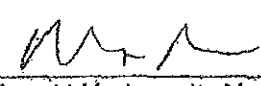
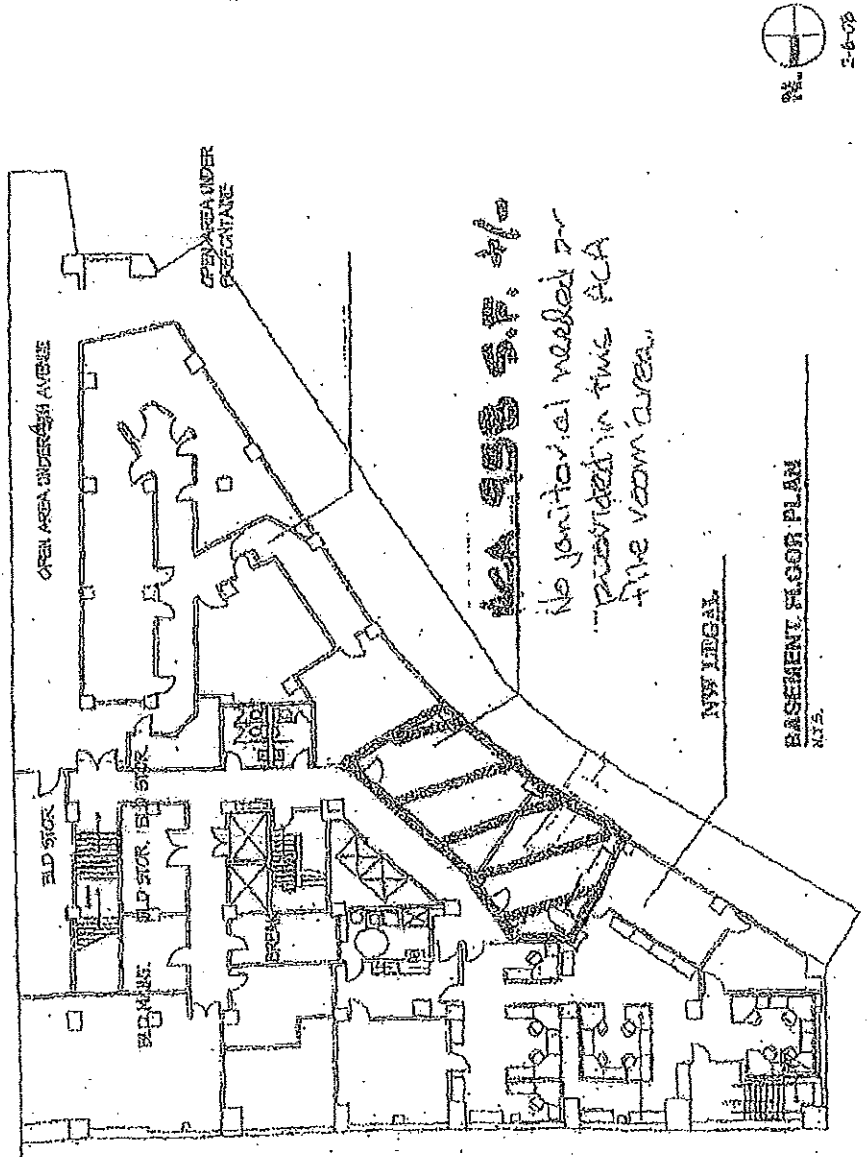
  
Donald Madsen, Its Managing Director

EXHIBIT A to SIXTH Amendment to Lease



PREFONTANE BUILDING  
 110 PREFONTANE PLACE SOUTH  
 SEATTLE, WASHINGTON

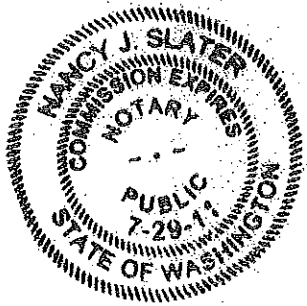
STATE OF WASHINGTON )

) ss

COUNTY OF KING

On this 28<sup>th</sup> day of April, 2011, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Paul E. Krug, to me known to be the Trustee for the E.M. Greenwood Trust, a Washington trust, described in and who executed the foregoing instrument and acknowledged to me that she signed and sealed the said instrument as her free and voluntary act and deed for the uses and purposes therein mentioned and she was authorized to so act.

WITNESS my hand and official seal the day and year in this certificate above written.



*Nancy J. Slater*  
NOTARY PUBLIC in and for the State of  
Washington, residing at Seattle King County  
My commission expires: 7-29-2011